TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, [redacted] 1919

No. 481. [redacted]

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 2.

SPECIAL EXHIBITS.

FILED MAY 12, 1916.

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION

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Special Exhibit No. 2.

(January 29, 1913.)

(Extracts from pamphlet entitled "Brief against the Tonnage Tax Bill. Submitted to the Committee on Taxes and Tax Laws of the House of Representatives of the Minnesota Legislature, Session of 1909 by the delegation from St. Louis County in the House of Representatives.")

(From page 21 *et seq.*)

99.3-10 per cent. of the known iron tonnage in Minnesota is on the Mesaba Range, the balance is therefore a negligible quantity. The ore bodies on that range are flat. They can be, and practically all have been, drilled. These drill holes are from 100 to 300 feet apart. They penetrate the ore body to the quartzite, which is known to be the limit of the ore. The thickness of the ore body and its boundaries are as easily determined by these drills as are the boundaries of any field by a surveyor. Samples of these drill holes are taken every five or ten feet and are analyzed. Blue prints are made to show the location of the drill holes and the character of the holes; that is, the analysis for each five feet of each hole is shown on the blue print. From this blue print the tonnage is computed and its quality determined. On these blue prints all mines are sold or leased and millions of dollars have been paid in sole reliance on them. They are the basis of all transactions in mines on that range.

The mining companies have turned over to the State Tax Commission all their blue prints showing their exploration, as well as other *data* showing cost of operation. Out of 2,116 different properties, there are only eight of which the Tax Commission has not received complete reports. (See Table of Properties, Last Report of Minnesota Tax Commission, pp. 123-129).

The Commission says, page 131 of its report: "*The attitude of the mining companies toward the work of the Commission and the evident disposition on their part to give all information that would help to reach a fair valuation, was such as to deserve commendation, which is here freely acknowledged*" (Italics are ours).

We unhesitatingly assert that there is no class of business in the state which has furnished as complete information to the Tax Commission as has the mining industry, and that there is no property concerning which the Commission has as complete knowledge as it has of the iron mines.

Consequently the Commission says, page 142 of its report: *"In the opinion of the Commission ad valorem taxation of the mining properties has reached a reasonable degree of efficiency. Corrections in the list of properties will have to be made from time to time, but, speaking generally, a system has been inaugurated that meets the demands for assessment purposes fairly well."* (Italics are ours.)

Again, on page 145, they say: *"The information gathered concerning the location, quality and conditions of ores by descriptions has made the problem of valuation and assessment much more certain and equitable than before. The state now has information of what the ore is, and how extensive the deposits are."*

Possessed of this great fund of information, the Commission divided iron lands into two general classes, viz., Operating Mines and Prospects. The first class they divided into six subclasses, which they respectively assessed at the following rates per ton, to wit: 33, 30, 27, 23, 19 and 14 cents. The second class they divided into four classes, the first three of which they respectively assessed at 15, 10 and 8 cents per ton, and the fourth subclass at from $3.00 to $50.00 per acre. This last class is not known to contain any iron ore, but by reason of its location it is thought there is a possibility that ore may be found on it. The fact is that the prospectors have explored practically every place on the range where it was conceived ore could be found. A little more ore will doubtless be found, but where is as yet unknown.

We think the work of the Tax Commission in valuing these mines has been little short of marvelous, considering the vast amount of other work they had, their inexperience in mining matters, and the limited time they had in which to solve the problem. If they can accomplish what they already have, thus handicapped, there is no question whatever but

what they can secure from the mines, for the State as well as the local communities, every dollar of tax they should pay.

* * *

(From Page 28 *et. seq.*)

MINING LEASES.

All mining companies prefer a lease to the purchase of the fee because,

(1) All leases provide for surrender by the lessee, and if the venture proves unprofitable the miner can terminate it.

(2) The royalty on the ore mined is paid quarterly, twenty days after the expiration of each quarter. Therefore the ore has been converted into cash before the miner pays for it.

(3) The purchase of the fee of iron land ties up a large amount of capital, and the annual interest charge on this capital, together with the annual taxes, would, in most cases, amount to more than the value of the ore by the time it was mined.

The Commission has fixed the average value of the ore, of operating mines in the ground, for purposes of taxation, at 22.4 cents. (Page 122 of Report.) At 6 per cent. interest, compounded annually, this will amount to $1.72 in 30 years and $4.12 in 50 years. Add the annual taxes, which are three-fourths as much, and we get an interest and tax cost which equals or exceeds the value of the ore.

For these reasons the mining companies acquire ore by lease probably twenty times, where they acquire it once by fee, and we will therefore consider leases first.

That the lessor may have an income during the years when the lessee does not operate the mine, all leases provide the lessee shall pay the lessor a minimum or advance royalty, which is subsequently credited on the royalties accruing on the ore actually shipped.

Taking the average annual production of the last seven years as a gauge, it will take sixty-six years to exhaust the known tonnage of the Mesaba Range. Therefore it is assumed in the trade that fifty years will exhaust the Mesaba Range, and leases are usually made for a term of fifty years.

The annual minimum is usually fixed at one-fiftieth of the known ore tonnage. When a lease is made the lessee usually pays the lessor the expense he has incurred in exploring his property and nothing more. Usually a bonus is paid for a lease when the mine has been opened up, and occasionally a bonus is paid in addition to the cost of exploration. The three largest transactions in ore leases, by all odds, within the last few years were the Great Northern, the Chemung and the Canisteo leases. In two of them no bonus whatever was paid, not even the cost of exploring the land, while in the third the bonus was approximately 3 cents per ton, in addition to the cost of exploration.

It is therefore approximately correct to say that the royalty named in a lease is the price to be paid for the ore. But the ore is not bought by the lease. The lessee simply gets an option on the ore for the term of the lease, usually fifty years, and, if the ore is mined under the option, it will, on the average, be paid for in quarterly installments for fifty years. So that the man who has fifty tons of ore in his mine (or any multiple thereof) and leases it for fifty years at 25 cents a ton, does not get today $12.50, but will in the course of fifty years get that sum. To determine the price which he actually gets today for his ore, providing the lessee does not surrender it, it is necessary to figure the present value of $12.50, paid in equal quarterly installments for fifty years, money being worth the usual rate of interest in Minnesota, say 6 per cent. This present value is $3.94 for fifty tons, or 7.88 cents per ton. This is the cash value to the fee owner of his ore on the day on which he leases it for 25 cents per ton for fifty years, providing the lessee does not surrender the lease.

The following table shows present cash value of various royalties in a fifty-year term, with money at 6 per cent:

Rate of Royalty Payable Quarterly for Fifty Years	Present Value of Royalty on a 6 Interest Basis
25 cents	7 88/100 cents
35 cents	11 3/100 cents
50 cents	15 76/100 cents
85 cents	26 8/10 cents
$1.00	31 52/100 cents

The Tax Commission have made five classes of operating mines and three classes of prospects upon which they have placed a value per ton. When the prospects become mines their value will doubtless be raised to that of the mines if the Commission continues its present policy.

The following table shows the valuation per ton placed upon different properties by the Commission, and the equivalent of such values in royalties under leases for a term of fifty years, with money worth 6 per cent:

Various Values per ton of Iron Ore in the Ground, as fixed by the Tax Commission.	The Equivalent of Such Values in royalty under a lease for a term of Fifty years with money worth six per cent.
33 cents	$1.046
30 cents	.951
27 cents	.856
23 cents	.729
19 cents	.602
15 cents	.478
14 cents	.444
10 cents	.317
8 cents	.253

The average values per ton in place of iron ore, was by the Commission fixed as shown by the following table:

What properties.	Average value per ton, in place	The equivalent of such values in royalty under a lease for a term of Fifty years, with money worth 6 P. C.
All shipping mines of all companies	22 4/10 cents	71 1/10 cents
All prospects of all Companies	11 2/10 cents	35 5/10 cents

Average of all mineral property of all companies	15 6/10 cents	49 5/10 cents
Shipping mines of Oliver Co.	24 2/10 cents	76 8/10 cents
Prospects of Oliver Co.	10 9/10 cents	32 3/100 cts.
Average of all mineral property of Oliver Co.	15 cents	47 6/10 cents

It will be noted that the average valuation of all the Oliver Company's mines is the equivalent of 76.8 cents royalty. As soon as the prospects become mines they will doubtless be taxed at the same rate.

(From page 33.)

Excepting the Great Northern lease, which was not an ore deal, but an operation in high finance, the Oliver Company has never paid a royalty as high as seventy-six cents. The royalty of only two leases of the Oliver Company exceeds fifty cents, which is the equivalent of a present value of 15.76 cents per ton of ore in place, assuming that the leases run for fifty years, as most of them do, and that money is worth six per cent.

It will be noted that the royalty equivalents of the valuations of the three highest grades of ore is higher than any royalty paid by the Oliver Company, always excepting the Great Northern lease. It will be noted that the royalty equivalents of five of the nine different valuations is higher than the royalty paid by the Oliver Company on any of its leases except two. We do not give royalties of the independent owners, as they own only about one-quarter of the tonnage. The Mahoning is by far the largest mine in that class and its royalty is fifteen cents. The average royalty per ton paid by the Oliver Company on ore shipped from the Mesaba Range during the years 1902 to 1908, both inclusive (these are the years of the existence of the U. S. Steel Corporation), was 27.2476 cents.

(From pages 33 and 34.)

The present value of that is shown by the following table, approximately:

Term	4 p. c. Int. rate	5. p. c. Int. Rate	6 p. c. Int. Rate
25 years	16 cents	14 25/100 cents	13 cents
35 years	13 1/2 cents	12 cents	10 1/2 cents
50 years	11 cents	9 1/2 cents	8 cents

It will be noted that the six highest values placed on ore by the Tax Commission are all higher than any of these present values except one, and there is only one cent's difference between those.

It will be further noted that the lowest present value, viz., that of a fifty-year term on a 6 per cent. interest rate, is the same as the lowest value per ton placed by the Tax Commission on the cheapest prospects.

Fee of Iron Mines.

For the reasons stated above, transactions in the fee of iron land are not numerous.

The cheapest sales of fee ore we ever knew were for less than one cent per ton. The highest that we ever knew were for 15 cents per ton. There may have been sales at a higher price, but we have never known of one, and upon inquiry can learn of none. Between these two limits there have been all prices.

It will be noted that six of the nine valuations made by the Tax Commission of ore in place, equal or exceed 15 cents per ton, the maximum price paid for such property.

* * * * *

Special Exhibit No. 3.

IN THE DISTRICT COURT OF THE UNITED STATES,

FOR THE DISTRICT OF NEW JERSEY.

UNITED STATES OF AMERICA,
Petitioner,

vs.

UNITED STATES STEEL CORPORATION, et al.,
Defendants.

No. 6,214.

STIPULATION.

IT IS HEREBY STIPULATED by and between the Petitioner and the Defendants represented by Messrs. Lindabury, Depue & Faulks, as follows:

That the contracts and correspondence hereinafter set forth in this Special Exhibit No. 3 are offered in evidence in behalf of the Petitioner, subject to objection to competency and relevancy. That said contracts were executed and operated under. That said correspondence took place between the several parties therein referred to. That prior to the formation of the National Tube Company, the National Transit Company had contracts with several of the Companies subsequently taken over by said National Tube Company for the conversion of steel into tubes, pipes, etc., as will more fully appear from the contracts and correspondence relating thereto hereinafter set forth in this Special Exhibit No. 3. That prior to the execution of the contract of October 16, 1902, with the Carnegie Steel Company, hereinafter set forth, the National Transit Company purchased the pig iron and steel required by it in connection with its contracts relating to the conversion of steel into tubes, pipes, etc., in the open market from various parties who in the sale of said steel came into competition in interstate commerce with the Carnegie

Steel Company and other manufacturers of said products. That the net total advantage per ton below prevailing market prices in the finished products, tubes, pipes, etc., accruing to the National Transit Company by reason of the contracts hereinafter set forth in this Special Exhibit No. 3 between it and the Carnegie Steel Company and between it and the National Tube Company varied from time to time from $2 to $6. That the National Transit Company in every case paid its bills to the Tube Companies and to the Carnegie Steel Company in cash promptly as the same became due, and in no case gave or asked to give any promissory note therefor, and in no case received or asked any extension of the time of payment. That by agreement of counsel, said contracts and correspondence relating thereto have been printed separately from the rest of the record and sealed and are presented to the Court to be used as evidence, subject to exception as to competency and relevancy and subject to such orders as the Court may make as to publicity.

Dated New York, February 26, 1913.

J. M. Dickinson,
Henry E. Colton,
Barton Corneau,
Special Assistants to the Attorney-General.
Lindabury, Depue & Faulks,
by D. A. Reed.

PENNSYLVANIA TUBE WORKS.
WORKS AT SOHO.
OFFICE & WAREHOUSE.
341 & 343 First Avenue, Pittsburgh, Pa.

PITTSBURGH, PA., JAN. 12TH, '99.

E. D. ARNOLD, Esq.,
NATIONAL TRANSIT CO.,
26 Broadway,
New York City.

DEAR SIR:

Referring to conversation with you regarding prices at which we are willing to enter into a contract with your company to manufacture lap-weld tubes, i. e., Tubing, Casing, Line Pipe and Drive Pipe, of different sizes, 2" to 12", both inclusive, in full random lengths, fitted with standard threads and couplings, subject to your specification and inspection, made from Basic Open Hearth Steel to be furnished by you, said contract to cover a period of one year from this date, for 30,000 tons or more, up to the one half of our capacity:

We herewith enclose a table of prices based on different prices of steel, at which prices per lineal foot we will accept the business, actual freight allowed on all shipments, not exceeding 15c. per 100 lbs., you to deliver the Basic Open Hearth Steel on cars at our works. We to pay for same on the 20th of the month following shipment, less 2%.

If this is acceptable, we understand that you are to keep us supplied with specifications of different sizes you desire made up. On receipt of which, we will specify sizes, weights and amount of steel required. As fast as the steel is delivered to us, we will use every effort to work it into finished tubes and store same to the extent of the capacity of our storage warehouse, subject to your shipping directions. After we have stored an amount equal to $150,000, at our expense, you are to pay us, if we so desire, for all stored in excess of $150,000.

Any steel delivered to us, after being made into finished tubes, not passing your inspection, due to laminations, light weight, or poor quality; We are to pay for at whatever price we can buy common Bessemer Steel skelp at the time, with

the understanding, however, that every precaution is to be taken that all steel delivered to us is according to specification.

At the expiration of one year we understand that you are to specify and pay the contract prices for all material we have in stock that passes the usual inspection.

If this is satisfactory, kindly write your acceptance, and oblige,

Yours very truly,
PENN'A TUBE WORKS,
WM. H. LATSHAW,
Treasurer.

OIL CITY TUBE COMPANY.

NEW YORK CITY, JAN. 18, 1899.

MR. E. D. ARNOLD,
Standard Oil Co.,
26 Broadway, New York City.

DEAR SIR:

Referring to conversations had with you, regarding contract with your Company, for the manufacture of L. P. [L. P. in pencil] Tubing, Casing, Line Pipe and Drive Pipe of different sizes, ranging from 2" to 12" both inclusive, pipe to be made of Basic Open Hearth Steel, to be furnished by you, and fitted with standard threads and couplings, we beg to advise that we will enter your contract for Thirty thousand tons (30,000) of pipe with an option on our part to accept as much more as you have to offer; deliveries to cover a period of one year from date.

The prices per lineal foot, which you are to pay for these goods are to be in accordance with the table of prices, based on the different prices of steel, already accepted by the Pennsylvania Tube Works, with an actual freight allowance on all shipments not to exceed fifteen (15) cents per cwt.

It is understood that you are to deliver Basic Open Hearth steel, of which this pipe is to be made, on the cars, at our works, Oil City, Pa., and that we will pay for the same,

at whatever prices you may designate, less two per cent (2%), on the 20th of the month following the month of shipment.

It is understood that you are to keep us supplied with specifications of different sizes you desire made, and on receipt of the specifications we will immediately specify the sizes, weights and amount of steel required, and as fast as it is delivered to us, we will use every effort to work it into finished tubes, and store the said finished product, at our Works, subject to your shipping directions.

We will carry a stock of this finished pipe, amounting to Fifty Thousand Dollars ($50,000), and on the first of each month you are to pay us the full value of all goods in stock in excess of the $50,000.00 amount that we agree to carry.

Any steel delivered to us that does not pass your inspection after being made into finished pipe, due to alaminations light weight or poor quality, we agree to pay for at whatever prices that we can buy common Bessemer steel skelp for at that time.

It is understood that at the expiration of this contract, you are to specify and pay the contract price for all material that we have in stock that passes the inspection.

If this proposition is satisfactory, kindly favor us with acceptance and oblige.

Respectfully yours,
OIL CITY TUBE COMPANY,
Per D. J. GEARY,
Vice Pres.

OIL CITY TUBE COMPANY.
OIL CITY, PA.

JAN. 21ST, 99.

E. D. ARNOLD, ESQ.,
NATIONAL TRANSIT CO.,
New York City.

DEAR SIR:

I beg to acknowledge receipt of your favor of the 19th inst., accepting our proposition of the 18th inst., to supply

you with lap welded tubing, casing and line pipe, in sizes ranging from 2 to 12 inches, both inclusive, to the amount of 30,000 tons, delivery covering a period of one year from date of proposition.

It is understood that this proposition is made and accepted on the basis that all Tubing, Casing and Line Pipe delivered by us under it shall be lap welded and made from Basic Open Hearth Steel, subject to your specifications and inspection; also that the Steel Company is to invoice the steel to us, and in so far as payments on the steel is concerned, we are to deal with them direct; that you are to have a competent inspector at the mill to see that the steel is of such quality as your specifications call for, and that nothing but steel of this kind is to be delivered to us.

The clause in our proposition of the 18th, in regard to laminations, light weight and poor quality, which we are to accept and pay for on the basis of common Bessemer steel prices, means light sheets, or skelp and not light pipe.

Trusting that this understanding of the proposition and its acceptance is mutual, I beg to remain,

Yours truly,
OIL CITY TUBE COMPANY,
D. J. GEARY,
Vice President.

NATIONAL TUBE COMPANY,
CONESTOGA BUILDING,
Office of
GENERAL SALES AGENT.

PITTSBURGH, PA., OCTOBER 3, 1899.

MR. E. D. ARNOLD,
C/o NATIONAL TRANSIT COMPANY,
26 Broadway, New York, N. Y.

DEAR SIR:

Referring to our conversation with you regarding prices, we are willing to manufacture Lap-welded Tubes as described, and upon the terms and conditions except as herein mo-

dified, set forth of the letter of the Pennsylvania Tube Works to you dated January 12th, 1899, copy of which is hereto attached. It is understood that the quantity to be manufactured shall be from 40,000 to 60,000 tons, as required by you, and for which you shall furnish material.

This agreement to cover the period from the date hereof to January 1st, 1901. We will allow you to select either one or any two of the following departments: Pennsylvania, Oil City or Chester, in which selected departments we will give your orders preference to the extent of exclusiveness, if necessary.

You are also at liberty to substitute and supply in place of Basic Steel, either iron or Acid Bessemer, but in such event and on such material the breaking down test will not be required and will be expressly waived by you.

After we have stored an amount of finished goods equal to $200,000, at our expense, you are to pay us, if we so desire, for all stored in excess of $200,000.

Yours truly,

NATIONAL TUBE COMPANY,
HORACE CROSBY, Second Vice President.
JOSHUA RHODES, Chairman.

NATIONAL TUBE COMPANY,
CONESTOGA BUILDING,
Office of
GENERAL SALES AGENT.

PITTSBURGH, PA., OCTOBER 3, 1899.

MR. E. D. ARNOLD,
C/o NATIONAL TRANSIT COMPANY,
26 Broadway, New York, N. Y.

DEAR SIR:

Supplementary to our general letter of the 3rd:

We beg to state that you may reserve the right to reclaim any pipe made from the skelp which you furnish, and it may be rejected by your inspectors for any cause. In case you

do not avail yourselves of the right to take rejected pipe, or any part thereof, it becomes the property of the National Tube Company; we to report to you sizes and quantities of rejected pipe from time to time and to give you the opportunity of accepting the pipe forthwith, before making other disposition.

The price for plain end pipe is to be less than screwed pipe by the amount of cost of threads, couplings and rings, as it exists from time to time.

The net price of asphalting will be as follows:

2″	to 4″	inclusive	½c.	per	foot,
4¼″	to 5⅝″	"	¾c.	"	"
6″	to 8⅝″	"	1c.	"	"
9″	to 10″	"	1½c	"	"
	Larger sizes		2c.	"	"

Yours truly,
NATIONAL TUBE COMPANY,
HORACE CROSBY,
Second Vice President.
JOSHUA RHODES,
Chairman.

NATIONAL TUBE COMPANY.

(COPY)

NEW YORK, N. Y., OCTOBER 16, 1900.

NATIONAL TRANSIT COMPANY,
26 Broadway,
New York City.

DEAR SIR:

Referring to our negotiations with your Mr. E. D. Arnold concerning prices at which we agree to enter into a contract with your Company to manufacture lap-weld tubes, i.e., Tubing, Casing, Line Pipe and Drive Pipe of different sizes,—2″ to 12″, both inclusive, in full random lengths, fitted with threads and couplings, subject to your inspection and specifi-

cations of February 28, 1898, hereto attached, with the usual allowance for weight variations, as governed our former contract, and to be made from Basic Open Hearth Skelp furnished by you, same quality as heretofore. This contract to cover a period from the completion of our present contract to January 1, 1903, and to be for your requirements up to one hundred thousand (100,000) net tons per annum.

We herewith enclose table of even date, giving sizes and weights per lineal foot, also showing prices based upon different prices of steel, at which prices per lineal foot we will accept the business; actual freight allowed on all shipments, not exceeding 15 cents per hundred pounds.

You are to deliver the Basic Steel Skelp, or other quality of Skelp, hereinafter mentioned, at our Works, we to pay for the same on the 20th of the month following shipment, less 2%.

You are to keep us supplied with specifications for different sizes of tubular goods that you desire made, and we are to specify the gauges, widths, lengths and quantities of Skelp required therefor.

Upon delivery of said plates, we are to use every effort to manufacture them into tubular goods, and if required, store the same, subject to your shipping directions, to the extent of two hundred thousand ($200,000) dollars' worth. Any quantity in excess of two hundred thousand dollars' worth, so stored by your request, shall upon demand by us be paid for.

You are at liberty to substitute and supply in place of Basic Steel Skelp, either Iron or Acid Bessemer Skelp, of suitable quality, and in the event of substituting Iron or Acid Bessemer Skelp the breaking down test will not be required and will be expressly waived by you.

You may reserve the right to reclaim any pipe made from the skelp which you furnish, that may be rejected by your Inspectors for any cause, i.e., laminations, light weight or poor quality, of which you are to be advised semi-monthly, or otherwise, of whatever rejections we may have in stock; and in case you do not avail yourselves of your right to take this rejected pipe, or any part thereof, within a few days after

being notified, it then becomes the property of the National Tube Company.

The price for plain end pipe is to be less than pipe fitted with threads and couplings, by the amount of cost of the threads and couplings, as it exists from time to time.

The prices for asphalting to be as follows:

2" to 4" inclusive	1/2c.	per foot
4 1/2" to 5 5/8" inclusive	3/4c.	" "
6" to 8 5/8" inclusive	1c.	" "
8" to 10" inclusive	1 1/2c.	" "
Larger sizes	2c.	" "

In case our Pennsylvania Department cannot meet your requirements, we will put on extra machinery within our Pittsburg District, including Youngstown, to meet said requirements.

At the expiration of this contract period, namely, January 1, 1903, it is understood that you are to pay at contract price for all goods that we may have on hand that have passed your inspection, and are made from material furnished by you.

By all of the foregoing we mean to convey that it is the spirit of our Company to conduct this business in such manner that it will be entirely satisfactory to all concerned, and that so far as the detailed workings of the contract is concerned, it is a continuation of the present contract under which we are now operating.

All deliveries of tubular goods to be subject to strikes, accidents or causes beyond our control.

If this is satisfactory, kindly write your acceptance, and oblige,

Yours very truly,
NATIONAL TUBE COMPANY,
E. C. CONVERSE,
President.

NATIONAL TUBE COMPANY,
26 BROADWAY.

E. D. ARNOLD.

NEW YORK, OCTOBER 18TH, 1900.

MR. E. C. CONVERSE, Pres.,
NATIONAL TUBE CO.,
New York City.

DEAR SIR:

Your proposition of October 16th, 1900, to the National Transit Company for our requirements of pipe up to 100,000 tons per year for two years, is hereby accepted.

Yours truly,
E. D. ARNOLD.

NATIONAL TRANSIT COMPANY,
26 BROADWAY.

E. D. ARNOLD.

NEW YORK, DECEMBER 16TH, 1902.

MR. W. H. LATSHAW, 1st V. P.,
NATIONAL TUBE CO.,
Pittsburg, Pa.

DEAR SIR:

Referring to the conversion contract, will say, would like to have you send me two copies changing the 100,000 net tons per annum to 150,000 tons, write the word "Accepted" at the bottom, and I will be pleased to sign same, returning one to you, which will close up the matter.

Yours very truly,
E. D. ARNOLD.

DECEMBER 18TH, 1902.

MR. E. D. ARNOLD,
NATIONAL TRANSIT COMPANY,
New York City.

DEAR SIR:

Pursuant to request in your letter of the 16th instant, you will find herewith enclosed duplicate copies of our letter

to you November 1st, with the exception that we have changed the maximum tonnage from 100,000 to 150,000 net tons. If you will kindly sign your acceptance on one of the copies and return at your convenience, you will greatly oblige.

The writer is personally very much obliged for favoring us with this business and we shall always endeavor, as heretofore, to carry on the business entirely satisfactorily to you and to your company.

Yours very truly,

WM. H. LATSHAW,
First Vice President.

(Enclosure.)

NOVEMBER 1ST, 1902.

NATIONAL TRANSIT COMPANY,
No. 26 Broadway,
New York City.

GENTLEMEN:

Referring to negotiations between your Mr. E. D. Arnold and the writer, concerning prices at which we will agree to enter into a contract with your company to manufacture lap-weld tubes, i.e., Tubing, Casing, Line Pipe and Drive Pipe of different sizes,—2″ to 12″, both inclusive, in full random lengths, fitted with threads and couplings, subject to your inspection and specifications of February 28th, 1898, with the usual allowance for weight variations as governs our present unexpired contract, to be made from Basic Open Hearth Steel Skelp furnished by you, same quality as heretofore. This contract to cover a period from the completion of our present contract, viz. January 1st, 1903, to January 1st, 1905, and to be for your requirements up to one hundred and fifty thousand (150,000) net tons per annum.

We herewith enclose table dated October 7th (at which time it was compiled) giving sizes and weights per lineal foot, also showing prices based upon different prices of steel, at which prices per lineal foot we will accept the business; actual freight allowed on all shipments not exceeding fifteen cents (15c.) per hundred pounds.

You are to deliver to us at our works at net cost to you the Basic Open Hearth Steel Skelp, or other quality of skelp hereinafter mentioned, we to pay for same on the 20th of month following shipment.

You are to keep us supplied with specifications for different sizes of tubular goods you desire made, and we are to specify the gauges, widths, lengths and quantities of skelp required therefor.

Upon delivery of said skelp we are to use every effort to manufacture it into tubular goods, and, if required, store same subject to your shipping directions to the extent of two hundred thousand dollars' ($200,000) worth. Any quantity in excess of two hundred thousand dollars' worth, so stored by your request, shall upon demand by us be paid for.

You are at liberty to substitute and supply in place of Basic Steel Skelp, either Iron or Acid Bessemer Skelp of suitable quality and in the event of substituting Iron or Acid Bessemer Skelp, the breaking down test will not be required and will be expressly waived by you.

You may reserve the right to reclaim any pipe made from the skelp which you furnish, that may be rejected by your Inspectors for any cause, i.e., laminations, light weight or poor quality. You are to be advised semi-monthly or otherwise, of whatever rejections we may have in stock; and if you do not avail yourselves of your right to take this rejected pipe, or any part thereof, within a few days after being notified, it then becomes the property of the National Tube Company.

The price for plain end pipe is to be less than pipe fitted with threads and couplings, by the amount of cost of the threads and couplings, as it exists from time to time.

The prices for asphalting to be as follows:

2" to 4" inclusive	1 2c.	per foot.
4 1/2" to 5 5/8" inclusive	3/4c.	per foot.
6" to 8 5/8" inclusive	1c.	per foot.
8" to 10" inclusive	1 1/2c.	per foot.
Larger sizes	2c.	per foot

In event our Pennsylvania Department cannot meet your requirements, we will put on extra machinery within our Pittsburg District, including Youngstown, to meet said requirements.

At the expiration of this contract, viz. January 1st, 1905, it is understood you are to take and pay for at contract prices all goods we have on hand, made from material furnished by you, that has passed your inspection.

By all of the foregoing we mean to convey that it is the spirit of our company to conduct this business in such manner as will be entirely satisfactory to all concerned, and so far as the detailed workings of the contract is concerned, it is a continuation of the present contract under which we are now operating.

All deliveries of tubular goods to be subject to strikes, accidents or causes beyond our control.

If this is satisfactory, kindly write your acceptance and oblige,

Yours very truly,
NATIONAL TUBE COMPANY,
WM. H. LATSHAW,
First Vice President.

ACCEPTED:
NATIONAL TRANSIT CO.,
By E. D. ARNOLD.

NATIONAL TUBE COMPANY,
PITTSBURGH, PA.
FRICK BUILDING.
Office of the
GENERAL MANAGER OF SALES.

JUNE 9, 1904.

NATIONAL TRANSIT COMPANY,
26 Broadway,
New York, N. Y.

GENTLEMEN:

(CONTRACT TUBULAR GOODS.)

We propose to extend the contract of November 1st, 1902, for a period of two years, namely: from January 1st, 1905,

to January 1st, 1907, with the understanding that the only change to be made therein consists in our reducing the cost to you of conversion on 2" to 6" inclusive, Line Pipe Tubing and Drive Pipe, by the sum of $1.50 per ton, which reduction is reflected in the net prices as per attached schedule which becomes part of this agreement and which becomes effective on January 1st, 1905.

This I believe is in accordance with our verbal understanding of yesterday, and if so will you kindly sign this letter and the copy attached, returning one to us.

Yours very truly,
EDW. WORCESTER,
First Vice President.

NATIONAL TRANSIT COMPANY.
Aug. 11.
Accepted E. D. ARNOLD.

NATIONAL TUBE COMPANY,
PITTSBURGH, PA.
FRICK BUILDING.

WM. B. SCHILLER,
President.

NOVEMBER 29, 1905.

MR. EDW. WORCESTER,
First Vice President.

DEAR SIR:

Referring to Mr. Arnold's telegram to you dated Nov. 1, directing that all business after that date should be done under the name of "E. D. Arnold, Agent", instead of National Transit Company: Mr. Corey advised me yesterday that he had had the matter up with Mr. H. H. Rogers, who confirmed Mr. Arnold's instructions. Mr. Rogers was willing to have the National Transit Company write a confirmatory letter, but Mr. Corey thought this was scarcely necessary, and I think both you and myself concur in this view.

Yours very truly,

President.

NEW YORK, NOV. 1ST.

EDW. WORCESTER,
Pittsburg.

Beginning to-day Nov. 1st all pipe business will be done under name of E. D. Arnold Agent, instead of National Transit Co., please notify Mr. Culbertson at once, as all payments will be made by me and all bills dated from Nov. 1st to be made against E. D. Arnold Agent instead of National Transit Co. Kindly take this up at once with your different departments so that this change can be put into effect today. Would like to have given you more time but new order of doing business was late in reaching us.

E. D. ARNOLD.

JULY 27, 1906.

MR. E. D. ARNOLD, Agent,
26 Broadway,
New York, N. Y.

DEAR SIR:

Referring to negotiations between us concerning prices at which we will agree to enter into a contract with you to manufacture lapweld tubes, i.e., Tubing, Casing, Line Pipe and Drive Pipe of different sizes,—2″ to 12″ both inclusive, in full random lengths, fitted with threads and couplings, subject to your inspection and the National Transit Co.'s specifications of February 28th, 1898, with the usual allowance for weight variation as has governed our practice with the National Transit Co. to be made from Basic Open Hearth Steel Skelp to be furnished by you same quality as that which we have heretofore received for National Transit Co.'s orders. This contract to cover a period from January 1st, 1907, to January 1st, 1909, and to be for your requirements up to 150,000 tons per annum.

We hereto attach schedule dated July 23rd, 1906, giving sizes and weights per lineal foot, also showing prices based upon different prices of steel, at which prices per lineal foot we will accept the business; actual freight allowed on all shipments not exceeding fifteen cents (15c) per hundred pounds.

You are to deliver to us at our works at net cost to you the Basic Open Hearth Steel Skelp, or other quality of skelp hereinafter mentioned, we to pay for same.

You are to keep us supplied with specifications for different sizes of tubular goods you desire made, and we are to specify the gauges widths, lengths, and quantities of skelp required therefor.

Upon delivery of said skelp we are to use every effort to manufacture it into tubular goods, and, if required, store same subject to your shipping directions to the extent of two hundred thousand dollars' ($200,000) worth. Any quantity in excess of two hundred thousand dollars' worth so stored by your request, shall upon demand by us be paid for.

You are at liberty to substitute and supply in place of Basic Steel Skelp, either Iron or Acid Bessemer Skelp of suitable quality, and in the event of substituting Iron or Acid Bessemer Skelp, the breaking down test prescribed for in specifications above referred to, will not be required and will be expressly waived by you.

You may reserve the right to reclaim any pipe made from the skelp which you furnish, that may be rejected by your inspectors for lamination, light weight, or poor quality. You are to be advised semi monthly or otherwise, of whatever rejections we may have in stock; and if you do not avail yourself of your right to take this rejected pipe, or any part thereof, within a few days after being notified, it then becomes the property of the National Tube Company.

The price for plain end pipe is to be less than pipe fitted with threads and couplings as per attached schedule, by the amount of cost of the threads and couplings as it exists from time to time.

Prices for asphalting shall be as follows:

2" to 4" inclusive	1/2c. per foot;
4 1/2" to 5 5/8" inclusive	3/4c. "
6" to 8 5/8" inclusive	1c. "
8" to 10" inclusive	1 1/2c. "
Larger sizes	2c. "

In the event that our Pennsylvania Department cannot meet your requirements, we will put on extra machinery within our Pittsburg District, to meet said requirements.

At the expiration of this contract, namely: January 1st, 1909, it is understood you are to take and pay for at contract prices all goods we have on hand made from material furnished by you that has passed your inspection.

By all of the foregoing we mean to convey that it is the spirit of our Company to conduct this business in such manner as will be entirely satisfactory to all concerned, and so far as the detailed workings of this contract are concerned, they will be in accordance with our practice under former contract with the National Tube Company, concerning which you are familiar.

All deliveries to be subject to strikes, accidents or causes beyond our control.

If this is satisfactory, kindly write your acceptance, returning one copy to us, and oblige,

Yours truly,
Edw. Worcester,
First Vice President.

Sept. 24.

Accepted:
E. D. Arnold, Agent.
Enclosure.

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26 Broadway,

New York, May 8th 08.

E. D. Arnold, Agent.

Mr. Edward Worcester,
National Tube Company,
Pittsburg, Pa.

Dear Sir:

Regarding a future contract for our pipe supply, beg to say that I have thought the matter over seriously and can't

see any reason why you should ask us to pay you $1.25 more per ton on eight inch pipe than we are now paying or about $3.00 a mile. You ought to be perfectly willing to renew the contract for a term of years on the same basis upon which we are now working. If you want to do this, I will make a contract with you for three years and thereafter until terminated by either party on giving one years notice.

I have made a satisfactory arrangement with Mr. Boyce for the continuance of the Steel Contract and I will close with him as soon as I hear from you satisfactorily.

Yours truly,
W. H. ARGOW,
Agent.

NATIONAL TUBE COMPANY,
PITTSBURGH, PA.
PRICE SCHEDULE.

MAY 20, 1908.

MR. W. H. ARGOW, Agent,
26 Broadway,
New York, N. Y.

DEAR SIR:

(CONTRACT.)

Referring to contract dated July 27th, 1906, which will expire December 31st, 1908. It is mutually understood and agreed that this contract, with the exception of schedule of prices, is hereby extended for three (3) years from January 1st, 1909, and unless terminated at the end of said period of three (3) years by either of the parties giving the other one year's previous written notice of his desire to terminate same, said contract shall be continued in force after the expiration of said three-year period until either party gives the other one year's written notice of his desire to terminate same.

The schedule of prices applicable to this new contract is hereto attached.

If this is satisfactory, kindly write your acceptance, returning one copy to us, and oblige,

Yours truly,

EDWARD WORCESTER,
1st V. P. & Gen'l. Mgr. of Sales.

ACCEPTED:

E. D. ARDEMAN, Agt.

2 enclosures.

Canadian Steel Company,
Eastern Offices; 71, Broadway,

Copy of Letter.

New York, October 16th, 1902.

E. D. Ardeman, Esq.,
National Tube Company,
71 Broadway, New York.

DEAR SIR:

It is desired to confirm for record the agreement made between us in our several interviews, as follows:

You are to place with us your entire requirements for grease and sheared skelp steel, to the probable aggregate of one hundred and fifty thousand (150,000) tons per year, divided approximately into one-third grease, the remainder universal rolled and sheared. This agreement to continue for a period of two years.

The conditions governing this purchase and sale are—

First, delivery: We propose to take care of your requirements by basing our deliveries to others upon taking care of you first, guaranteeing such shipments as will meet your needs under normal conditions, and to be subject only to delays arising from strikes, accidents to machinery or other causes unavoidable or beyond our control.

Second, price: For the present this material is to be billed at the rates ruling on your present contract, viz.: 1.65 cents per pound for grease sizes, 1.75 for the wider sizes, delivered at the works of the National Tube Company. These

prices shall prevail until such time as they are changed by mutual conference and agreement.

It is clearly understood between us in the matter of prices that the rates for the skelp steel are based upon your prices for finished pipe, and at all times you are to have about the same relative difference as exists today, between your prices for finished pipe and the market prices for pipe. Should, however, during the period of this agreement, the price for pipe drop to such a point that we cannot maintain this relative difference on the price of the skelp, the rate for the skelp to be based upon the ruling market price of this class of material; the intent of this provision being that we shall not be asked to make, on an extraordinarily low value of pipe, a price for skelp below the cost and reasonable profit of manufacture.

Terms, 30 days net cash, as heretofore.

Please accept and return one copy of this agreement.

Yours very truly,

H. P. Bope,
First Vice President.

ACCEPTED:
E. D. ARNOLD.

CARNEGIE STEEL COMPANY,
SALES DEPARTMENT.

Copy of Letter.

PITTSBURG, OCTOBER 22ND, 1902.

MR. E. D. ARNOLD,
NATIONAL TRANSIT COMPANY,
26 Broadway, New York.

DEAR SIR:

Referring to the agreement between us, dated October 15th, it is understood that the same takes effect as of January 1st, 1903, and continues as provided in the agreement for a period of two years thereafter. Between the present date and January 1st, 1903, we are to take care of you, how-

ever, on the same terms and conditions as set forth in the contract.

Yours truly,

H. P. BOPE,
First Vice President.

ACCEPTED:
E. D. ARNOLD.

CARNEGIE STEEL COMPANY,
SALES DEPARTMENT.

PITTSBURG, NOVEMBER 5TH, 1902.

Copy of Letter.
Structural Bureau.
J. P. KESSLER, JR., General Agent,
Building.

DEAR SIR:

We have entered into contract with the National Transit Company, dated October 16th, agreeing to take care of them on their entire requirements of groove and sheared skelp plates to the probable aggregate of 150,000 tons per year, divided approximately into one-third groove and the balance U. M. and sheared skelp for a period of two years commencing January 1st, 1903. We have agreed to take care of them on the same basis between date of this agreement and January 1st, 1903, and hand you herewith memorandum of contract C-A-498 for 25,000 tons of sheared and U. M. skelp representing our estimate of their requirements up to the above date.

The Hoop Company will make up contract under C-A-497 to take care of their requirements of groove sizes up to January 1st.

At the first of each quarter commencing January 1st next we will assign a C G contract number and make up formal notice covering 25,000 tons of sheared and U. M. sizes and the Hoop Company will do likewise on the groove portion, making their contract read for 12,500 tons.

Should the National Tube Company, from whom the orders will be received, under or over-specify for the amount covered by any particular contract during any particular quarter, we will, of course, close on the amount specified applying excess, if any.

We have further agreed to take care of them on shipments by basing our deliveries to other customers after taking care of them (National Tube Co.) first, guaranteeing such shipments as will meet their needs under normal conditions. Other features of this agreement are the same as previous contracts.

Yours truly,
General Manager of Sales.

CARNEGIE STEEL COMPANY,
SALES DEPARTMENT.

Copy of Letter.

Structural Bureau. PITTSBURGH, DECEMBER 22ND, 1902.

MR. VERYL PRESTON, Third Vice President,
United States Steel Corporation,
New York, N. Y.

DEAR SIR:

Replying to your letter of December 16th, our contract with the Standard Oil people for skelp is drawn in the name of the National Transit Co. and is dated October 16th, 1902. We have agreed to take care of them on their entire requirements of grooved and sheared skelp steel to the probable aggregate of 150,000 tons per annum, divided approximately into one third grooved and the balance U. M. and sheared, for a period of two years commencing January 1st, 1903. The price to be the present rates, namely 1.65c. per pound for the grooved sizes and 1.55c. per pound for the wider sizes, delivered at the works of the National Tube Co. These prices are to maintain until such time as they are changed by mutual conference and agreement, the intent being that their pipe shall at no time cost more than reasonable market figures.

The terms are 30 days net and our charges are made against the National Tube Co. Contract was executed by E. D. Arnold for the National Transit Company.

Yours truly,
General Manager of Sales.

UNITED STATES STEEL CORPORATION,
OFFICE OF THIRD VICE PRESIDENT.

NEW YORK, DEC. 23, 1902.

DEAR SIR:

We thank you for your favor of the 22nd inst. and note what you say in connection with your contract with the Standard Oil people for skelp.

Yours very truly,
VERYL PRESTON,
H
Third Vice President.

MR. H. P. BOPE,
First Vice President & General Manager of Sales,
Carnegie Steel Company,
Pittsburgh, Pa.

MARCH 25TH, 1903.

H. McB.

Mr. Bope advises that the deal with National Tube for skelp covers their requirements as the contract reads, but that an approximate figure of 200,000 net tons per year was mentioned in conversation. The figure noted in the contract is 150,000 net tons per year, but 200,000 is probably much nearer the correct amount.

Copy of this letter has been sent to the Order Department and the Bar Bureau.

J. W. D.

CARNEGIE STEEL COMPANY.
Sales Department

PITTSBURG, JUNE 30TH, 1904.

E. D. ARNOLD, Esq.,
National Transit Co.,
26 Broadway, New York.

DEAR SIR:

Confirming our conversation of yesterday, we hereby renew and extend contract between us dated October 16th, 1902, for the period ending December 31st, 1906. All features of the original contract are to remain in force, except that we understand you estimate your requirements as about 200,000 tons of grooved and sheared skelp, divided as heretofore. The present price 1.25c per pound, delivered at the works of the National Tube Company is to continue until such time as it may be changed by mutual conference and agreement, in accordance with the terms of the contract of October 16th, 1902.

As a matter of record, we send you this letter in duplicate and request that you kindly accept and return one copy at your earliest convenience.

Yours truly,
CARNEGIE STEEL COMPANY,
H. P. Bope,
First Vice President.

Aug. 11
ACCEPTED:
E. D. Arnold.

CARNEGIE STEEL COMPANY,
General Offices: Carnegie Building,

PITTSBURG, PA., AUGUST 17TH, 1906.

H. P. BOPE,
First Vice President.

MR. E. D. ARNOLD,
National Transit Company,
26 Broadway, New York, N. Y

DEAR SIR:

We hereby confirm, for record, the agreement made between us in New York recently:

You are to place with us your orders for groove and sheared skelp steel, to the probable aggregate of Two Hundred Thousand (200,000) net tons per annum, divided approximately into one third groove, the remainder universal rolled and sheared. This agreement to continue for a period of two years from January 1st, 1907.

The conditions governing this purchase and sale are:

First. We propose to take care of your requirements by basing our deliveries to others upon taking care of you first, guaranteeing such shipments as will meet your needs under normal conditions and to be subject only to delays arising from strikes, accidents to machinery or other causes unavoidable or beyond our control.

Second. Prices including delivery f. o. b. cars at Works of the National Tube Company are to be adjusted from time to time between us, as heretofore.

Third. It is clearly understood between us in the matter of prices that the rates for skelp steel are based upon your prices for finished pipe, and at all times you are to have about the same relative difference as exists today, between your prices for finished pipe and the market prices for pipe. Should, however, during the period of this agreement, the price for pipe drop to such a point that we cannot maintain this relative difference on the price of the skelp, the rate for the skelp to be based upon the ruling market price for this class of material; the intent of this provision being that we shall not be asked to make, on an extraordinarily low value

of pipe, a price for skelp below the cost and reasonable profit of manufacture.

Terms. Net cash thirty days from date of invoice.

Please accept and return one copy of this agreement.

Yours very truly,
CARNEGIE STEEL COMPANY,
H. P. BOPE,
First Vice President.

ACCEPTED:

CARNEGIE STEEL COMPANY,
General Offices; Carnegie Building,

PITTSBURG, PA., AUGUST 21ST, 1906.

H. P. BOPE,
First Vice President.

MR. E. D. ARNOLD, Agent,
26 Broadway, New York, N. Y.

DEAR SIR:

We hereby confirm, for record, the agreement made between us in New York recently.

You are to place with us orders for groove and sheared skelp steel, to the probable aggregate of Two Hundred Thousand (200,000) net tons per annum, divided approximately into one-third groove, the remainder universal rolled and sheared. This agreement to continue for a period of two years from January 1st, 1907.

The conditions governing this purchase and sale are:

First. We propose to take care of your requirements by basing our deliveries to others upon taking care of you first, guaranteeing such shipments as will meet your needs under normal conditions and to be subject only to delays arising from strikes, accidents to machinery or other causes unavoidable or beyond our control.

Second. Prices including delivery f. o. b. cars at the Works of the National Tube Company are to be adjusted from time to time between us, as heretofore.

Third. It is clearly understood between us in the matter of prices that the rates for skelp steel are based upon your prices for finished pipe, and at all times you are to have about the same relative difference as exists today, between your prices for finished pipe and the market prices for pipe. Should, however, during the period of this agreement, the price for pipe drop to such a point that we cannot maintain this relative difference on the price of the skelp, the rate for the skelp to be based upon the ruling market price of this class of material; the intent of this provision being that we shall not be asked to make, on an extraordinarily low value of pipe, a price for skelp below the cost and reasonable profit of manufacture.

Terms. Net cash thirty days from date of invoice.

Please accept and return one copy of this agreement.

Yours very truly,
CARNEGIE STEEL COMPANY,
H. P. BOPE,
First Vice President.

ACCEPTED:

CARNEGIE STEEL COMPANY,
General Offices; Carnegie Building.

Copy of Letter.

PITTSBURG, PA., AUGUST 25TH, 1906.

E. D. ARNOLD, Agent,
No. 26 Broadway,
New York, N. Y.

DEAR SIR:

Confirming our conversation of yesterday, we hereby renew and extend contract as formerly made with the National Transit Company, dated October 16th, 1902, for the period of two years beginning January 1st, 1907, and ending December 31st, 1908. All features of the original contract are to remain in force, except that we understand you estimate your requirements as about Two Hundred Thousand (200,000) tons of grooved and sheared skelp, divided as here-

tofore. The present price—1.25c. per pound for sheared and 1.15c. per pound for grooved, delivered at the Works of the National Tube Company—is to continue until such time as it may be changed by mutual conference and agreement, in accordance with the terms of the contract of October 16th, 1902.

As a matter of record, we send you this letter in duplicate, and request that you kindly accept and return one copy at your earliest convenience.

Yours very truly,
CARNEGIE STEEL COMPANY,
H. P. BOPE,
First Vice President.

August 27, 1906.

ACCEPTED:
E. D. ARNOLD, Agent.

CARNEGIE STEEL COMPANY.

District Office: Hudson Terminal—30 Church Street.

Copy of Letter.

NEW YORK, MAY 2ND, 1908.

MR. E. D. ARNOLD, AGENT,
26 Broadway, New York, N. Y.

DEAR SIR:

Referring to contract between us dated October 16th, 1902, covering Grooved and Sheared Skelp Steel, and subsequent letter dated August 25th, 1906, renewing the contract of October 16th, 1902, until December 31st, 1908, we hereby renew and extend the same for the period of three (3) years, and thereafter until discontinued by either party on giving one year's notice. All features of the original contract and subsequent letter are to remain in force.

As a matter of record, we send you this letter in duplicate. Kindly accept, and return one copy at your earliest convenience.

Yours very truly,
CARNEGIE STEEL COMPANY,
H. P. BOPE,
First Vice President.

ACCEPTED: May 29,
E. D. ARNOLD, Agent.

OCTOBER 30, 1908.

J. C. NEALE:

We are passing for entry today, National Tube Company (Continental Department), order =11882-L, of October 29th, for 1500 gross tons Basic Open Hearth steel slabs, 15¼" x 3½" x 525-lbs. each, to make Arnold Specification Skelp, at price of $20.50 gross ton shipping mill.

Kindly adjust your records accordingly.

W. P. S.
A. M., Jr.

CARNEGIE STEEL COMPANY,
General Offices: Carnegie Building.

PITTSBURG, PA., JANY. 16, 1909.

SAMUEL A. BENNER,
General Manager of Sales.
WILLIAM P. SIEBERT,
Ass't Gen'l Manager of Sales.
Rail & Billet Division.

J. C. NEALE, Ass't Gen'l Mgr. of Sales,
Building.

DEAR SIR:

We are today entering order 12412-L from National Tube Co., Continental Works, covering 1000 gross tons of Basic O.H. steel slabs 15-¼" x 3-¼" x 525=, for use in making Arnold Specification Skelp. This material has been entered at

price of $21.50 per gross ton, delivered P. & L. E. cars shipping point.

Yours truly,

W. P. SUMNER,
Asst General Manager of Sales.
EM

CARNEGIE STEEL COMPANY.
Private Telegraph Service.

NEW YORK, 18 NOVEMBER 26TH, 1910.

To S. A. DENNER,
Pittsburg.

Taking effect today and covering all unfilled specifications reduce price to Steelcrete bill 4 in. to 8.75 for the narrow widths and 8.25 for the wider sizes. Mr. Arnold is not satisfied with this concession; accepts it temporarily. He thinks this concession should apply to the stock in the yards of the National Tube Company. You might mention this matter to Mr. Schiller.

H. P. Bope.

JANUARY 18, 1911.

A. H. G. H.

Referring to attached agreement with H. M. Arnold, covering their whole requirements, you will note that Mr. Hope's letter of May 31st, 1910, which was accepted by Mr. Arnold, extended this agreement for a period of three years or until December 31st, 1911, and thereafter until discontinued by either party on giving one year's notice. Please advise if their calling in any action to be taken on this agreement.

You might also note that while we are carrying an obligation for this customer of 50,000 tons per quarter that their entire shipments for the year 1911 amounted to approximately 125,000 tons or a little over 30,000 tons per quarter.

You might also state whether, in your opinion, this obligation should be reduced.

K. M. G. H.

Special Exhibit No. 4.

IN THE DISTRICT COURT OF THE UNITED STATES,

FOR THE DISTRICT OF NEW JERSEY.

UNITED STATES OF AMERICA,
Petitioner,

vs. No. 6214

UNITED STATES STEEL CORPORATION, et al.,
Defendants.

STIPULATION.

It is stipulated by and between the Petitioner and the Defendants represented by Messrs. Lindabury, Depue & Faulks, as follows:

That the three lists hereto attached are correct lists of the Subscribers to the Syndicates organized at or about the time of the incorporation of the National Steel Company, the National Tube Company and the American Bridge Company, respectively; and that the names on each of said three lists are stated in the order of the amounts of the subscriptions, each list beginning with the name of the subscriber for the largest amount of participation in the respective Syndicates, and concluding with the name of the subscriber for the smallest amount of participation therein, except that where any two or more subscribers subscribed for the same amount in any of said three Syndicates, the names of such subscribers are stated alphabetically.

That said Lists are offered in evidence in behalf of the Petitioner, subject to objection to competency and relevancy, and that by agreement of Counsel, said Lists have been printed separately from the rest of the record and sealed and are presented to the Court to be used as evidence, subject to ex-

regulations as to competency and relevancy and subject to such rulings as the Court may make as to materiality.

Dated, New York, February 24th, 1913.

J. M. DIXON,
FRANK B. KELLOGG,
WINFRED C. NEEDHAM,
Special Assistants to the Attorney General.

FRANK SEVERANCE SECURITIES.

Flower & Co.
J. P. Morgan & Co.
H. H. Porter
A. J. Forbes-Leith
J. W. Gates
S. Mather
J. S. Morgan & Co.
H. H. Rogers
E. H. Gary
Guyler, Morgan & Co.
Munn & Selkirk
Kidder, Peabody & Co.
Kuhn, Loeb & Co.
Morgan, Harjes & Co.
N. Thayer
J. W. Drum
Lamont Evans
J. Lawlor Welsh
A. J. Moxham
Blake Bros. & Co.
Heidelbach, Ickelheimer & Co.
H. B. Hollins & Co.
Ladenburg, Thalmann & Co.
Morton, Bliss & Co.
Norman B. Ream
F. L. Stetson
Kean, Van Cortlandt & Co.
Maitland, Coppell & Co.

B. T. Wilson & Co.
E. B. Morse & Bro.
C. M. Depew
William Vanderbilt, Jr.
Marshall Field
Guaranty Trust Company
Jackson & Curtis
W. W. Kimball
A. E. Orr
Jacob C. Rogers
Henry Sanford
J. & W. Seligman & Co.
W. C. Sheldon & Co.
John A. Stewart
Edward Sweet & Co.
Frank Thomson
H. McK. Twombly
John Jay White
Bank of America
A. A. H. Boissevain
Manhattan Trust Company
John J. Mitchell
Simon Borg & Co.
P. Jeffreys Caulfield, Jr.
S. H. French
Charles Head & Co.
Lehman Bros.
Roswell Miller
Morgan, Harjes & Co. & a Credit Suisse
G. G. Murray
Naumburg, Lauer & Co.
Gould H. Redmond
Samuel Spencer
Strong, Sturgis & Co.
Curtis & Motley
P. J. Goodhart & Co.
Brayton Ives
C. S. Mellen
Post & Flagg
H. Sielcken
John H. Wrenn & Co.

NATIONAL TUBE COMPANY SYNDICATE.

J. P. Morgan & Co.
J. S. Morgan & Co.
Francis L. Potts
C. J. Hambro & Son
Clifton Wharton, Jr.
Horace Crosby
John H. Flagler
Kidder, Peabody & Co.
Wm. H. Allen
First National Bank, New York
Stuyvesant Fish
Kuhn, Loeb & Co.
Moore & Schley
Morgan, Harjes & Co.
Speyer & Co.
Wm. Nelson Cromwell
August Belmont & Co.
J. R. De Lamar
Harvey Fisk & Sons
E. H. Gary
A. S. Matheson
Winslow, Lanier & Co.
H. S. Manning
Blake Bros. & Co.
John E. Borne
Brown Bros. & Co.
E. C. Converse
George T. Coppins
Charles Deering
Chas. R. Flint
S. B. French
E. H. Gary for Samuel Mather
H. W. Gray
Heidelbach, Ickelheimer & Co.
H. B. Hollins & Co.
Kountze Bros.
J. P. Morgan, Trustee
North American Company

Daniel O'Day
Henry W. Oliver
H. H. Porter
Goold H. Redmond
Jacob C. Rogers
Jonathan Rowland
Samuel Spencer
Francis Lynde Stetson
James Stillman
Strong, Sturgis & Co.
Edward Sweet & Co.
H. McK. Twombly
J. Lowber Welsh
Chas. A. Whittier
John C. Williams
H. P. Davison
John Dow
Spencer Trask & Co.
Edward Bailey
Continental Trust Co. of Baltimore, for T. J. Hayward
Credit Suisse
Cuyler, Morgan & Co.
J. S. Fay, Jr.
Robert M. Galloway
W. S. Gurnee, Jr.
L. C. Hanna
William Hardee
Charles Head & Co.
Arthur S. Herenden
Liberty National Bank
Manhattan Trust Co.
John Munroe & Co.
N. F. Palmer
W. B. Schiller
R. A. C. Smith
F. S. Smithers & Co.
George H. Sullivan
Henry C. Tinker
E. B. Thomas
Wm. H. Wallace

F. J. Lisman & Co. a/c H. A. Cohen
G. S. Bowdoin, Trustee
J. P. Ord
R. Bleecker Rathbone
Charles W. Bunn
W. P. Hamilton
Thomas M. King
Knauth, Nachod & Kuhne
W. C. Temple
Tower & Sherwood
E. F. Whitney
David S. Greenough
John Greenough
S. N. Warren
C. W. Barron

AMERICAN BRIDGE COMPANY SYNDICATE.

J. P. Morgan & Co.
J. S. Morgan & Co.
August Belmont & Co.
Guaranty Trust Company
C. J. Hambro & Son
Marks, Bulteel, Mills & Co.
Brown Bros. & Co.
Morgan, Harjes & Co.
Stuyvesant Fish
Kidder, Peabody & Co.
Edward Sweet & Co.
Baring Bros. & Co. Ltd.
Central Trust Company
First National Bank, New York
Harvey Fisk & Sons
Fruhling & Goschen
Abram S. Hewitt
Kuhn, Loeb & Co.
Norton Trust Company
Percival Roberts, Jr.
P. W. Roberts
Societe de Credit Suisse

Baring, Magoun & Co.
Clark, Dodge & Co.
Harriman & Co.
H. B. Hollins & Co.
Knickerbocker Trust Co.
E. R. Morse & Bro.
Speyer & Co.
James Stillman
John E. Borne
Heidelbach, Ickelheimer & Co.
Strong, Sturgis & Co.
Henry Villard
Blake Bros. & Co.
Cuyler, Morgan & Co.
J. W. Doane
W. S. Fanshawe
Joseph S. Fay, Jr.
Charles R. Flint
Flower & Co.
E. H. Harriman
Kean, Van Cortlandt & Co.
Daniel S. Lamont
Manhattan Trust Co.
Thomas L. Manson & Co.
Moore & Schley
North American Trust Company
Norman B. Ream
J. & W. Seligman & Co.
Wm. C. Sheldon & Co.
F. S. Smithers & Co.
F. L. Stetson
H. McK. Twombly
Lawrence Turnure & Co.
Van Emburgh & Atterbury
H. P. Kremer
Wm. D. Barbour & Co.
Count de Montsaulnin
Samuel T. Fox
R. M. Galloway
Robert Gordon

Wm. F. Harrity
Charles Heard & Co.
Heinemann & Co.
Hollister & Babcock
Henry Phipps
Samuel Spencer
John A. Stewart
Frederick Sturges
James W. Tappin
Townsend, Whelen & Co.
Winthrop Smith & Co.
J. P. Ord
N. F. Palmer
Taylor, Cutting & Co.
Amos T. French
Moore & Schley and Client
Silas W. Pettit
Henry Sanford
S. S. Sharp, Atty.
Paul Tuckerman
R. H. Williams
J. N. Beckley
W. K. Bloodgood
Herbert L. Griggs
Charles H. Palmer
S. S. Sharp
August Lewis
Frederick B. Schenck
George W. Thayer
S. N. Warren
L. C. Weir
Wm. H. Connell

TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, [redacted] 1919

No. 48[redacted] 1856

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 3.

SPECIAL EXHIBITS.

FILED MAY 12, 1916.

(25292)

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION.

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March 19, 1913.

Ore reserves of the United States Steel Corporation on Lake Superior Ranges, January, 1904.

(By agreement of counsel this exhibit is not to be printed.)

Special Exhibit No. 6.

March 19, 1913.

Lake Superior district, estimates of developed ore reserves and probable ore controlled by the United States Steel Corporation, dated October 5, 1905.

(By agreement of counsel this exhibit is not to be printed.)

Special Exhibit No.7.

March 19, 1913.

Ore reserves of the United States Steel Corporation on Lake Superior ranges, January 1, 1906.

(By agreement of counsel certain extracts only from this exhibit are to be printed. These will be found on pages 86 to 89 of this volume.)

Special Exhibit No. 8.

March 19, 1913.

Ore reserves of the United States Steel Corporation in Lake Superior district January 1, 1908.

(By agreement of counsel certain extracts only from this exhibit are to be printed. These will be found on pages 90 to 95 of this volume.)

Special Exhibit No. 9.

March 19, 1913.

Ore reserves of the United States Steel Corporation in the Lake Superior district, January 1, 1910.

(By agreement of counsel certain extracts only from this exhibit are to be printed. These will be found on pages 96 to 101 of this volume.)

Extracts from
Government Special Exhibit No. 7
March 19, 1913

ORE RESERVES

—OF—

UNITED STATES STEEL CORPORATION

—ON—

LAKE SUPERIOR RANGES

JANUARY 1, 1906.

CHARTS

TOO

LARGE

FOR

FILMING

SPECIAL EXHIBIT (Johnson) NO. 10

December 15, 1913

Pittsburg market price 3.60

Contracted at 3.45 f.o.b. sellers factory.

Pittsburgh quotation 3.50

3.60

Final price the quoted me was. 10¢ under the market price.

3.60 3.40 3.40

1911.

Rec'd from all 1912 =

Sub full Term unfer

SPECIAL EXHIBIT (Campbell) No. 11
December 17, 1913

Jan 1. 3½ 08

Sheet Plate

Part of Contr. 1/27/09

Sheet — Y.C. 389, Dav. 3.95

Standard — Y.C. 3.65 F.O.B. Mill, 22½ ↙ error, 3.87½

Phillips — cannot bid

McKeesport — Y.C. 3.84 unboxed, Dav. 3.90

Pope — Y.C. 3.87½ − 7½ = 3.80, Dav. 3.93½ − 7½ = 3.86¼

250

	Pittsbg basis
American	3.65
Standard	3.65
Phillips	No bid
McKeesport	3.60
Pope	3.56

(Special Exhibit 11)

384
365
19

387
365
22

(Special Exhibit 11)

Government Special Exhibit No. 15-b.

March 27, 1914.

NOTES.

a. The figures in the column headed "Steel Ingots" show the year of maximum output in Steel Ingots, gross tons, prior to January 1, 1914, and the amount of output for said year.

b. The figures in the column headed "Finished Steel" show the year of maximum output in Finished Steel Products, net tons, prior to January 1, 1914, and the amount of output for said year.

c. The Pennsylvania Steel Company, of New Jersey, owns the capital stock of the Pennsylvania Steel Company, of Pennsylvania, and the capital stock of the Maryland Steel Company.

d. Surplus given as of November 1, 1911, because exact data not available for October 26, 1911.

e. Surplus given as of September 30, 1911.

g. This figure is for shipments and is approximately accurate for production.

h. Approximate tonnage.

i. The Cambria Steel Company has no direct bonded indebtedness, but owns the Manufacturers Water Company the bonded indebtedness of which was $4,000,000 on October 26, 1911, and $3,852,000 on January 1, 1914.

j. The property of the Cambria Iron Company is leased to the Cambria Steel Company.

k. $7,500,000 of this amount has been appropriated for and invested in additions to property and working capital and $2,214,517.08 was unappropriated surplus.

l. This is the capital stock of the Southern Iron & Steel Company, the predecessor of the Gulf States Steel Company.

m. This is the bonded indebtedness of the Southern Iron and Steel Company.

n. Deficit $439,838.08.

o. Surplus given as of October 31, 1911, because exact data not available for October 26, 1911.

p. The Carbon Steel Company reports as to this figure—73,294 net tons of finished products—as follows: "finished according to our practice, but really semi-finished according to the general meaning of the term."

q. Tonnage given for fiscal year ending June 30, 1912.

r. Tonnage given for fiscal year ending June 12, 1912.

s. Tonnage given for fiscal year ending October 31, 1913.

t. Tonnage given for fiscal year ending September 30, 1913.

u. Surplus given as of December 31, 1911, because exact data not available for October 26, 1911.

v. Surplus of Jones & Laughlin Steel Company is Government Special Exhibit No. 15-c, not printed.

Government Special Exhibit No. 15-c.

Letter from Mr. B. F. Jones, Jr., president of the Jones & Laughlin Steel Company, dated March 31, 1914, addressed to Henry E. Colton, Esq., and giving the surplus of said company on or about October 26, 1911, and on or about January 1, 1914.

(By agreement of counsel this exhibit is not to be printed.)

TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 19[redacted] 1919

No. 481. 1656

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 1.

PLAINTIFF'S TESTIMONY.

FILED MAY 12, 1916.

(25292)

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IN THE

District Court of the United States,

FOR THE DISTRICT OF NEW JERSEY.

UNITED STATES OF AMERICA *vs.* UNITED STATES STEEL CORPORATION and others.	No. 6214.

ROOM 210, CUSTOM HOUSE,
NEW YORK CITY, May 6, 1912.

The above entitled cause came on for hearing before Speial Examiner Henry P. Brown, Esq., at 11 o'clock a. m.

APPEARANCES:

On behalf of the United States:

Hon. J. M. DICKINSON, HENRY E. COLTON, Esq., and L. R. CLARK, Esq., Special Assistants to the Attorney General.

On behalf of the defendants:

R. V. LINDABURY, Esq., RAYNAL C. BOLLING, Esq., C. A. SEVERANCE, Esq., and D. A. REED, Esq.,

For:—United States Steel Corporation,
Carnegie Steel Company,
Federal Steel Company,
American Steel & Wire Co., of N. J.,
National Tube Company,
Shelby Steel Tube Company,
American Tin Plate Company,
American Sheet and Tin Plate Company,
American Bridge Company,
Lake Superior Consolidated Iron Mines.

Union Steel Company,
H. C. Frick Coke Company,
Clairton Steel Company,
Tennessee Coal, Iron and Railroad Company,
Great Western Mining Company,
J. P. Morgan,
Charles Steele,
George W. Perkins,
E. H. Gary,
Chas. M. Schwab,
Henry C. Frick,
James Gayley,
William H. Moore,
J. H. Moore,
Percival Roberts, Jr.,
Daniel G. Reid,
Norman B. Ream,
P. A. B. Widener.

WILLIAM NELSON CROMWELL, Esq.,
For:—Edmund C. Converse.

GEORGE WELWOOD MURRAY, Esq.,
For:—John D. Rockefeller and
John D. Rockefeller, Jr.

FREDERICK R. KELLOGG, DEAN EMERY, and CHESTER W. CUTHELL, Esq.,

For:—West Missabe Land Company, Limited,
Wright Land Company, Limited,
Davis Land Company, Limited,
Wells Land Company, Limited,
Stone Land Company, Limited,
Wabigon Iron Company,
Minosin Iron Company,
Nibiwa Iron Company,
Wenona Iron Company,
Minawa Iron Company,
Leonard Iron Mining Company,

Arthur Iron Mining Company,
Fillmore Iron Mining Company,
Harrison Iron Mining Company,
Jackson Iron Mining Company,
Polk Iron Mining Company,
Tyler Iron Mining Company,
Van Buren Iron Mining Company,
Louis W. Hill,
James N. Hill,
Walter J. Hill,
Edward T. Nichols, and
J. H. Gruber, said named individuals being sued as Trustees.

MR. DICKINSON: We will call Wallace Buell.

MR. COLTON: For the benefit of counsel other than the Steel Corporation counsel, I will state that we are going to take up the American Steel & Wire Company today, and counsel appearing for Mr. Rockefeller and Mr. Converse and the Hill interests will scarcely be very much concerned in it.

MR. KELLOGG: You are supposed to give us notice when our interests are reached.

MR. DICKINSON: Yes, sir.

WALLACE BUELL,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By MR. DICKINSON:

Q. Where do you reside?

A. Port Chester, New York.

Q. How long have you been a citizen of New York?

A. About four years; in the neighborhood of four years.

Q. How old are you?

A. Forty-nine.

Q. Have you had any connection, directly or indirectly, either with the United States Steel Corporation or with any subsidiary company?

A. I have not.

Q. What is your business now?

A. I am out of business at present.

Q. In what business have you been engaged?

A. I have been engaged in the business of managing steel works and wire works.

Q. When did you begin the business of steel and wire?

A. About 1889.

Q. How long did you continue in that business?

A. I continued in that business for six years.

Q. With what concerns were you associated during that time?

A. The Washburn & Moen Manufacturing Company.

Q. Where is that company located?

A. Worcester, Mass.; and also at Waukegan, Illinois.

Q. In what business was that company engaged during the time you were associated with it?

A. In the manufacture of all kinds of wire and steel.

Q. Please state, without any repetition of questions, your entire experience in the steel and iron business.

A. You do not want me to go back of that period, do you?

Q. Yes; I want you to give your entire experience.

A. I began in the steel and iron business in a merchant store in New Haven, Conn. I then went with the Norway Steel and Iron Company of Boston, Mass., to sell and introduce their products throughout the United States. They were owned by Miln & Company, and I was understudy of Mr. Alexander Miln. I then went with Mr. Miln for two years, and left him to join the American Steel & Wire Company as assistant to the General Manager. In that capacity I remained three years, doing all sorts of duties that would be suited to that position, among them the development of our open hearth steel plant, and the introduction of many different new kinds of wire. When Mr. Charles F. Washburn, the Vice President, died, after I had been there three years, I assumed his duties in charge of the general sales of the company, continuing in that position for three years, when I retired.

Q. Then for many years you have been engaged in the study and practice of the steel and wire business?

A. It has been my life's work.

Q. And you are generally acquainted with that business, are you, throughout the United States?

A. I think so; I feel sure that I am.

Q. Go on and state what you did next.

A. I retired to build and become manager and president of a seamless steel tube plant, which I built in Garwood, New Jersey, called the Hercules Seamless Steel Tube Company. I was President, Treasurer and Manager of that Company. I operated that plant until the demand practically ceased, when we sold it out to the Shelby Steel Tube Company. I then went with Henry M. Whitney, to Sidney, Nova Scotia, and took part in the work during the construction period, for the first two years, and when that was ended, or when the business began, I became manager of its business operations; that is, the sales and purchases, and freights; but I was also very much mixed up with and had a great deal to say about operations in construction. After being there four years I retired and came back to the United States.

Q. Have you or not, then, a general acquaintance with the production and sale of iron and steel generally throughout the United States?

A. It has been my business to acquire it.

Q. And you have qualified yourself in that business?

A. I think so.

Mr. Dickinson: If it please the Court, and with the consent of counsel previously obtained, I now desire to introduce and make a part of the record a copy of a listing statement filed by the American Steel & Wire Company, of New Jersey, with the New York Stock Exchange, dated New York, August 12, 1899, and by consent of counsel it is agreed that this is a copy of the original that was filed, and is to have the same effect as if the original were produced, subject, of course, to exceptions as to relevancy and competency, and also subject to the right of the defendants, within a reasonable time, to make any corrections they may desire to make.

Mr. Lindabury: I believe I made that statement with regard to a number of papers, in a general way; but I would like to see the individual one.

MR. DICKINSON: Is that statement satisfactory Mr. Lindabury?

MR. LINDABURY: We object to it as irrelevant.

MR. DICKINSON: Well, I stated that the paper was introduced subject to your objections as to its relevancy.

MR. COLTON: He wants to put in the objection now.

MR. LINDABURY: I suppose the fact that it is subject to that objection would not avail us—without making the objection. I want the objection on the record.

MR. DICKINSON: This, then, will be made a part of the record marked "Government Exhibit, Buell, No. I."

(The paper so identified was thereupon marked Government's Exhibit Buell No. I, May 6, 1912.)

MR. COLTON: The stenographer inquires whether we desire the exhibit spread upon the record.

MR. LINDABURY: It has been a more or less general habit or practice to put the exhibits in in a separate book, when there are a good many of them. The record might show the page of the exhibit, but the exhibits can be kept by themselves.

MR. DICKINSON: That is satisfactory. I just want to get it in the record.

By MR. DICKINSON:

Q. Mr. Buell, I desire you to look over this list on the first page, entitled "Plants Acquired, Owned and Controlled," and state which of those concerns competed with the Washburn & Moen Manufacturing Company, with which you were associated?

A. The American Steel & Wire Company.

Q. Well, that is the American Steel & Wire Company?

A. No; there was one before.

Q. Yes.

A. The Worcester Wire Company. They all competed.

Q. All of these?

A. All there are on the list.

Q. All there are on that list?

A. Yes.

Q. Competed with the Washburn & Moen Manufacturing Company?

A. Yes; all competed.

Q. What was the character of that competition? Was it in interstate and foreign commerce?

A. Yes; everywhere.

Q. Everywhere?

A. Everywhere.

Q. Were they competitors with each other, as well as with the Washburn & Moen Manufacturing Company?

A. So far as I know; yes.

Q. You say you were sales agent at that time?

MR. LINDABURY: No, he was not for all of them.

MR. DICKINSON: No; but for the Washburn & Moen Manufacturing Company.

A. I do not know what private arrangements they may have had among themselves; they were all competitors of ours.

Q. And unless there was a private arrangement among them were they or not making sales to the same trade generally?

A. Yes.

MR. LINDABURY: Do not be in a hurry. I object to that as asking for an opinion.

MR. DICKINSON: I am not asking for an opinion. I ask if he knows whether that was a fact.

MR. LINDABURY: But he says he has no information except that they competed with him, and now the question last asked would seem to call for his opinion whether, if there was not some private arrangement, they were competing.

By MR. DICKINSON:

Q. State whether or not you met these people and their agents in interstate trade and commerce in the articles produced by them variously, contending for the same trade and sales?

A. We did.

Q. And can you or not say whether they were competitors with each other?

MR. LINDABURY: I object to that as asking for an opinion.

MR. DICKINSON: I am not asking for an opinion; I am asking for facts.

MR. LINDABURY: It appears he does not know the facts.

By MR. DICKINSON:

Q. State whether or not you do, Mr. Buell?

A. They appeared to be competing with each other.

Q. They appeared to be competing with each other?

A. Yes.

Q. And had agents out, did they?

A. They appeared to be competing as much against each other as they were against us.

Q. Yes. The Washburn & Moen Manufacturing Company had their works located where?

A. At Worcester, Mass., and Waukegan, Ill.

Q. State what the products of those plants were?

A. At Worcester we made open-hearth steel; at both plants we rolled rods and made them into wire, and into cold rolled steel, and we also rolled at Worcester, and eventually at Waukegan, I think, copper ingots, copper bars, and made those into wire.

Q. Did they make barbed wire?

A. Very largely.

Q. What was the capacity of the Washburn & Moen Manufacturing Company? Was it a large or a small concern?

A. Very large.

Q. As compared with others, what was it?

A. Until the American Steel & Wire Company was formed, we were the largest in America.

Q. You spoke of barbed wire. Had there been patents on the barbed wire, or not?

A. Yes.

Q. What was the fact in regard to the expiration of those patents, as to whether or not they were being thrown open on account of such expiration?

A. The patents had been owned by the company long be-

fore I joined the company, and they had always been in litigation. At about the time I joined the company the litigation on the underlying patents ceased, and the infringers, most of them, paid up.

Q. What time was that?

A. I have not the exact date. I could not tell you.

Q. About what year?

A. I could not tell you. It was probably in the neighborhood of 1889.

Q. When did those original patents expire?

A. I was not at that time very closely connected with them. I don't know. You see I was occupied with the general management then, and not so much concerned in sales or things to do with sales for the first three years of my duties there.

Q. State whether or not this competition, before you left the Washburn & Moen Manufacturing Company, had arisen between other companies competing with it on account of patents having expired?

A. Yes; there was competition generally, but intermittently.

Q. Was there anything in the way of agreements to control this competition? If so, state what it was?

A. The departments handling those duties in our company were in the habit of meeting their competitors and trying to arrange to sustain prices.

Q. Were not those called pools?

A. I don't think they took the nature of pools then at all.

Q. What was the effect, and what was the nature of those agreements?

A. The nature of those agreements was a promise or a comparison made to hold up prices; to avoid competition in prices.

Q. Was it or not an agreement to uphold prices?

A. Those things were handled by our departments, and I did not pay a great deal of attention to them, so long as they produced results.

Q. What was the result?

A. The result was a higher price as long as they could

sustain their agreement, and when they could not the price went down.

Q. I understood you to say that from time to time the parties representing these competitive companies made agreements for the purpose of sustaining prices which were effective so long as those agreements were held up.

MR. LINDABURY: I object to that. It appears that the witness was not present and did not participate in any of those agreements, and it must be hearsay, if I understood him correctly.

By MR. DICKINSON:

Q. You had general charge of the sales?

A. I did not participate in any of those agreements.

Q. You were not a party to those agreements?

A. Not on barbed wire.

Q. You know that from time to time they did have uniform prices?

A. Yes; our departments handled those things separately.

Q. You knew those prices would break? A. I knew those prices would break.

Q. And then competition with each other would be sharp?

A. They would then compete again.

Q. State whether or not it was the general understanding in the trade, then, that there were agreements controlling prices, which were broken from time to time.

MR. LINDABURY: I object to testimony as to a general understanding.

By MR. DICKINSON:

Q. Just answer the question.

A. Repeat it, please.

Q. The question was: state whether or not there was a general understanding in the trade, from time to time, that there were agreements to uphold prices.

A. I can not answer that.

Q. You cannot answer that question?

A. I do not know what the trade understood.

Q. By "trade" what do you mean?

A. The customers.

Q. I am speaking now about the manufacturers. What was the understanding among them, among the salesmen?

MR. LINDABURY: I object to that. It seems to me that the witness has not any first hand information, and that he has already disclosed that fact. I therefore interpose the objection that it is hearsay.

MR. DICKINSON: Let the objection be recorded.

By MR. DICKINSON:

Q. If you can answer the question, please answer it.

A. I am not very familiar with that, because the agreements at that time were conducted by Charles F. Washburn, the vice-president, and by the various sales departments; one at Chicago.

Q. You say the agreements were conducted at that time. What do you mean?

A. I mean the operation of the agreements.

Q. Of what agreements?

A. On barbed wire.

Q. What kind of agreements? Agreements as to prices?

A. As to prices.

MR. LINDABURY: One moment. I know you do not want to get illegal testimony, Judge.

MR. DICKINSON: I am trying to get it legally.

MR. LINDABURY: I have no objection to the witness telling anything he knows, but I do object to his telling what he knows only from hearsay.

By MR. DICKINSON:

Q. You stated that Mr. Washburn had charge of the agreements?

A. Mr. Washburn was vice-president.

Q. What agreements did you mean?

A. The agreements that were made by the subordinate departments.

Q. For what purpose?

A. For the purpose of controlling prices.

Q. Then you did understand there were such agreements?

A. I understood so; yes, sir.

Q. That is what I wanted to get at. State whether or not, in connection with the agreements that you understood to exist from time to time in regard to controlling prices by competitors, you have any knowledge of the interposition in such matters of Mr. Edwin E. Jackson.

A. I am under the impression that Mr. Jackson had nothing to do with barbed wire agreements.

Q. You have been talking about barbed wire agreements?

A. That is what you introduced.

Q. Do you know anything about any other agreements or pools entered into by competitors?

A. We made agreements and had agreements with our competitors on other lines of wire.

Q. What were the lines?

A. Copper wire, insulated wire, magnet wire, ropes.

Q. Wire ropes?

A. Wire ropes.

MR. LINDABURY: Are you speaking from your own knowledge?

The Witness: I am.

By MR. DICKINSON:

Q. Tell us what you know about those agreements; what they were, the period they covered, who participated in them, and what was their effect.

A. As a usual thing there were meetings held in New York supervised by Mr. E. E. Jackson, who seemed to be best acquainted with those duties. They were held by the supervisor, under the direction of different members as often as seemed necessary. They were agreements to maintain prices, sometimes took the form of pools, and were irregular; that is, they were maintained for a length of time until they could not stand it any longer; and then somebody would take a big order and break them all up.

Q. What period of time are you covering in your statement?

A. This was during the last three years of my administration.

Q. What years would that be?

A. It would be between 1892 and 1896.

Q. Mr. Buell, look over this list of companies, on the next page, (referring to Government Exhibit No. 1) and state which of those companies, if any, were represented in these agreements that you speak of, in regard to which you have spoken as of you own knowledge.

A. I think none of these plants were engaged in copper wire in any way.

Q. But as to any of the pools as to which you had knowledge?

A. Are the companies here which made up the American Steel & Wire Company?

Q. All of those companies mentioned there were subordinate to or consolidated with the American Steel & Wire Company.

A. I do not see any names there excepting our own, the Washburn & Moen Manufacturing Company.

Q. Any companies that did what?

A. That participated in those agreements.

MR. LINDABURY: You are bringing out the Jackson agreements?

MR. DICKINSON: I am not limiting my questions to the Jackson agreements.

By MR. DICKINSON:

Q. I am speaking of any agreements that you knew about of your own knowledge.

A. I have forgotten the names: The American Wire Company and the Cleveland Rolling Mill Company.

Q. Both of those companies are on this list, are they not?

A. I did not see them there anywhere.

Q. If you look on that first list you will see them.

MR. LINDABURY: They are there.

MR. DICKINSON: I know.

THE WITNESS: The Cleveland Rolling Mill Company is there. I do not see the American Wire Company.

MR. LINDABURY: That is the first one.

THE WITNESS: That is the American Steel & Wire Company. There was a concern in Cleveland called the American Wire Company.

MR. LINDABURY: You do not mean the Illinois Corporation then?

THE WITNESS: No, sir; not unless they became a part of that. Eventually I think they did.

By MR. DICKINSON:

Q. Look on the second page there, Cleveland, Ohio. It is there, is it not?

A. They call it here the American Mill.

Q. Is that the same concern?

A. Yes, sir; originally owned by the American Wire Company.

Q. That is it?

A. Yes.

Q. So that the Washburn & Moen Manufacturing Company, the American Wire Company and the Cleveland Rolling Mill Company, whose names appear here, were parties to these pools of which you have spoken of your own knowledge?

A. To some, yes.

Q. To some. Well, which of them?

A. The agreement on broom and mattress wire.

Q. Any others?

A. Not any of the others that I know, sir.

Q. State whether or not the Washburn & Moen Company was in active and direct competition in interstate and foreign trade with the following companies: The Worcester Wire Company:

A. Yes.

Q. The Cleveland Rolling Mill Company?

A. Yes.

Q. The Indiana Wire Fence Company?

A. I do not remember that, no.

Q. Garden City Wire & Spring Company?

A. Yes.

Q. Consolidated Steel & Wire Company?

A. Yes.

Q. The Laidlaw Bale Tie Company?

A. Yes.

Q. The Cincinnati Barbed Wire Fence Company.

A. I do not remember the name.

Q. The Newburgh Wire & Nail Company?

A. Yes.

Q. The Pittsburg Wire Company?

A. Yes.

Q. The Oliver Wire Company?

A. Yes.

Q. As to what products did competition between these several companies exist generally? Just state the products.

A. On practically all the wire they made.

Q. On practically all the wire that they made and on the various kinds of wire made by them?

A. On the various kinds of wire made by them. In some cases it existed as to wire rods.

Q. Mr. Buell, state whether or not you have any knowledge of the properties that were owned by the Tennessee Coal & Iron Company previous to 1907?

A. I knew about them as a whole. I had not investigated each part.

Q. As a whole?

A. As a whole. I formed an estimate of the company itself.

Q. What opportunities did you have, and what sources of information did you have, with respect to that?

A. At Sidney. We were in the business of estimating the strength of the competition we had to meet. Therefore we were interested in observing all prospective competitors. We formed an estimate of all the leading concerns in the United States, and of the Tennessee Coal & Iron Company, of course. I also had personal reasons for being interested, because the directors used my name with a view of making me chairman of the company.

Q. Then, being interested, as I understand you, in the iron business, and looking into the question of competition, you

made a study of the Tennessee Coal, Iron & Railroad Company and its properties?

A. I made such a study.

Q. And also with a view of possible connection with it, you made that study?

A. I formed a general estimate of it.

Q. In making that study, state whether or not you did it as an expert.

A. I did it as a competitor.

Q. As a competitor; but I mean from the standpoint of your knowledge of and acquaintance with the business.

A. It was my business to form an estimate of all competition. I made a study of it and went all over the world for that purpose. I went to Europe and throughout the United States.

Q. State, Mr. Buell, looking to the extent of the iron and coal holdings of the Tennessee Coal, Iron & Railroad Company, and the developments going on in that section of the country, what were in your judgment its potentialities in the iron trade from the standpoint of possible competition.

Mr. Lindabury: I object upon the ground that the witness is not qualified as an expert to express an opinion, and I ask leave to cross-examine him on the question of his expertness.

Mr. Dickinson: Answer the question, will you please?

The Examiner: Mr. Lindabury has a right to cross-examine him as to his qualifications.

By Mr. Lindabury:

Q. Have you ever been in Alabama and in the region of the operations of the Tennessee Coal & Iron Company?

A. Yes.

Q. Did you ever make a personal examination of their coal deposits?

A. I did not.

Q. Did you ever make a personal examination of their ore deposits?

A. I can answer as a whole that I have never made an examination of any of their properties. I was in a position where, if I wanted examinations, I called for them.

Q. You have answered the question that you never did examine any of their properties?

A. I never did examine them.

Q. Have you been in the habit of examining ore properties about the country?

A. Not as an ore expert.

Q. Do you consider yourself qualified as an ore expert?

A. I told you that I did not examine things as an ore expert.

Q. Are you qualified as an ore expert?

A. No.

Q. You have not had that experience or training?

A. I am not an engineer.

Q. So in regard to coal, are you an expert in valuing coal fields?

A. No; I have always employed experts.

Q. As to manufacturing: Are you a manufacturer of steel?

A. I am manager of open hearth furnaces.

Q. Where?

A. And I am a manufacturer.

Q. Where?

A. I managed the open hearth furnaces of the American Tube and Stamp Company, of Bridgeport, Connecticut, and re-organized the plant.

Q. How long ago was that?

A. Immediately after I came back from Sidney.

Q. For how long a time?

A. For about two years.

Q. What years were they?

A. I cannot give you the exact dates, but it must have been 1906 to 1908.

Q. What has become of that plant?

MR. DICKINSON: You are now beyond the question of qualifying the witness.

MR. LINDABURY: I wanted to know if it is still in operation.

THE WITNESS: It is in operation now, operated by the men I put there.

By Mr. Lindabury:

Q. That plant manufactures open hearth steel?

A. Open hearth basic steel?

Mr. Lindabury: That is all I have to ask on that. Do you renew the question?

By Mr. Dickinson:

Q. You did not examine the ore as an expert, nor the coal as an expert, but state whether or not you acquainted yourself with the extent of their holdings.

A. I did not wish to. I did not need to.

Q. Why did you not need to?

A. Because their position in the trade and their possibilities was a matter of current opinion among the steel men.

Q. You went to Alabama, did you not?

A. I did not go down there at that time.

Q. You did go there, did you?

A. Not at that time.

Q. Subsequently?

A. Yes.

Q. I am asking you now, based not merely upon that but upon all the information you have, as to whether or not the Tennessee Coal, Iron & Railroad Company, from the extent of its iron ore holdings, was regarded generally by iron and steel men as a large, potential factor in that business?

Mr. Lindabury: Do not answer the question.

Mr. Dickinson: He can answer the question, and you can object.

Mr. Lindabury: Wait until I make my objection before the witness answers.

I object to the question because it is asking for an expert opinion from a non-expert witness, and based not merely upon hearsay, but upon hearsay opinion; based not upon hearsay information as to facts, but on hearsay rumor.

The Witness: You are not quite correct.

By Mr. Dickinson:

Q. Now answer the question:

A. You will have to ask it again.

The question was read by the stenographer as follows:

"Q. I am asking you how, based not merely upon that but upon all the information you have, as to whether or not the Tennessee Coal, Iron & Railroad Company, from the extent of its iron ore holdings, was regarded generally by iron and steel men as a large, potential factor in that business?"

A. It was.

Q. State whether or not there was any other concern at that time in the United States, except the United States Steel Corporation, that had as large holdings in iron and coal as the Tennessee Coal, Iron & Railroad Company?

MR. LINDABURY: I object, because it already appears that the witness has no information upon the subject except such as may be hearsay.

THE WITNESS: That would be hearsay on my part, because, I did not need to look those things up.

By MR. DICKINSON:

Q. State whether or not it was generally understood among the people in the iron business that that was the largest concern as to iron and coal holdings outside of the United States Steel Corporation.

MR. LINDABURY: That is objected to upon the ground that general understanding is not evidential, and that it is incompetent and irrelevant.

THE WITNESS: Yes. Those subjects were discussed at our headquarters at Sidney for the purpose of knowing.

By MR. DICKINSON:

Q. From the standpoint of a competitor?

A. Yes.

Q. What conclusion did you come to as to the competition to be expected from that company in the steel and iron trade?

MR. LINDABURY: That is objected to as irrelevant.

THE WITNESS: We considered that the honor was divided between the Tennessee Coal & Iron Company and the Dominion Iron & Steel Company, that being the concern in America that could bring together the raw material at the lowest cost to produce a ton of steel.

By Mr. Dickinson:

Q. To produce what?

A. To produce a ton of steel. We concluded that Sidney would ultimately be better; but the Tennessee Coal & Iron Company came next. The two places were the cheapest in the world.

Q. The two places were the cheapest at that time?

A. The cheapest in the world at that time.

Q. Your company was not in the United States?

A. We were at Cape Breton and Nova Scotia.

Q. State whether or not you came to the conclusion that the Tennessee Coal & Iron Company could produce steel cheaper than any other concern in the United States?

Mr. Lindabury: Do not answer until I get a chance to object. The question is objected to as irrelevant.

(The question was repeated by the stenographer, as follows:)

"Q. State whether or not you came to the conclusion that the Tennessee Coal & Iron Company could produce steel cheaper than any other concern in the United States?"

A. When it was properly organized and developed, yes.

Cross Examination by Mr. Lindabury:

Q. You did not think that it was then properly organized and developed?

A. I did not.

Q. What did you know about it?

A. I had acquired sufficient information for my own purposes, having been asked to consider the position of chairman of the company.

Q. I am now not asking your opinion, but wanting some facts. Wherein was its then organization deficient?

A. In a general way throughout.

Q. I would like something not quite so general. If you did not think it was then well organized, wherein did you think its organization was faulty at the time?

A. I was informed by members of the company.

The information was given to me in confidence, and I do not care to repeat it.

Q. Wherein did it lack proper development?

A. The same answer.

Q. Was that also given to you in confidence?

A. In confidence.

MR. DICKINSON: We have no objection to the witness answering it. I think he ought to answer.

THE WITNESS: No, it would not be proper for me to answer.

By MR. LINDABURY:

Q. Why do you say it would not be proper for you to answer?

A. Because they were men prominent in the company who were considering my services, and they offered the remarks for my information only.

Q. Will you please give us the names of the gentlemen who gave you the information upon which you based this opinion?

A. The Board of Directors.

Q. Name them. I do not suppose you met the whole board together?

A. Yes; I did.

Q. Tell me who was present of the Board of Directors?

A. The Chairman of the Board.

Q. Give me the names of those present.

A. The president of the Hanover Bank.

Q. What was his name?

A. Woodward.

Q. Mr. Woodward. Do you remember his first name?

A. I do not remember now.

Q. Now give us the others.

A. Mr. James Henry Smith. The others I don't remember. There were five or six present, I should say.

Q. Those are the only ones you remember?

A. Those are the only ones I remember.

Q. And which of them gave you the information?

A. I do not care to say.

Q. I think I shall have to insist. We shall have to report you for contempt, if you do not answer these questions.

A. I do not care to answer the question.

Q. Tell me the name of any one of the directors who gave you any of the information upon which your testimony has been based here as to the condition of affairs of this company and its properties.

A. I can give you the same answer. I do not care to answer that question.

MR. LINDABURY: I ask the master to note the refusal of the witness to answer the question.

THE EXAMINER: The stenographer will make a note of that.

By MR. LINDABURY:

Q. I suppose you are aware that the only two men you have named are dead?

A. I know that Mr. James Henry Smith is dead. I did not know that Mr. Woodward was dead.

Q. Can you give the name of any living person who gave you any information on the subject about which you have been testifying.

A. I had most of my conversation personally with Mr. Smith.

Q. Yes; and you did not know, when you refused to answer before, that he was dead?

A. What is the question?

Q. You did not know he was dead when you refused to answer a few minutes ago?

A. I have known he was dead ever since he has been dead.

Q. Very well. Now, can you give us any information he gave you?

A. No; I cannot.

Q. Without mentioning the name of your informant, if you refuse to do that, wherein did you understand the organization of that company was deficient; in what respect?

A. In its general organization as a business and manu-

facturing proposition. I did not care to go into any more details than that.

Q. Did you understand it was inefficiently officered?

A. Yes; otherwise they would not have wanted a new chairman.

Q. They did not get a new chairman, did they?

A. Yes, sir; they did.

Q. You?

A. No.

Q. Somebody else?

A. Somebody else.

Q. Did they offer the position to you?

A. No.

Q. They were considering you?

A. They asked me to consider the position, and I allowed my name to be used; but it was used privately, because I was in business in Sidney and did not care to follow it up; and did not follow it up.

Q. Wherein did you understand there was lack of development of that property?

A. In a general way, as a business proposition it was not well developed.

Q. Well—

A. That is all I can answer.

Q. Did you understand how near their ore properties were to their works?

A. Yes.

Q. How near were they?

A. I understood that they were nearer from a freight traffic standpoint as a whole than any other in the world.

Q. That is not what I am asking.

A. That is all I wanted to know—the comparison.

Q. Did you understand that their ore properties were within a hundred miles of their furnaces?

A. I understood they were nearby.

Q. Nearer than 100 miles?

A. Nearby. I did not know.

Q. Did you understand they were nearer than 100 miles from their furnaces?

A. I inferred they were.

Q. But you had no information?

A. I did not attempt to get any.

Q. Can you tell me now whether or not in this estimate you formed you regarded the ore properties as within 100 miles of the furnaces of the company?

A. Oh, yes.

Q. Less than that?

A. Comparing them with our position in the same respect at Sidney I considered that they were very much less than that.

Q. How much less?

A. Very near by.

Q. What do you mean by "near by"?

A. In close proximity. I cannot tell you exactly. Ten or fifteen miles makes no difference in the steel business.

Q. It does not?

A. No.

Q. Is not the railroad haul to be taken into account?

A. There is no appreciable difference where you are competing with other people who are much further off.

Q. On what ranges did you understand their ores were?

A. I had never looked into that; not at that time.

Q. Tell us now, if you have looked into it since; on what ranges are the ores of the Tennessee Coal & Iron Company?

A. On ranges near by to the plant.

Q. What is the name of the ranges?

A. I did not care to know.

Q. Are they east or west of Birmingham?

A. I did not care to know.

Q. Or north or south?

A. I did not care to know.

Q. Where is their coal?

A. Near by.

Q. In what direction from Birmingham?

A. In the neighborhood.

Q. North or south or east or west?

A. I did not care which direction.

Q. You have been down there?

A. Yes; I have been down there, but I did not care in which direction they were.

Q. How far away was their coal?

A. Near by.

Q. That does not answer my question. How many miles, approximately? Can you tell within five hundred miles how near their coal fields are?

A. They were represented to be within 25 miles.

Q. Where did they get that reputation with you?

A. Let me save you a good deal of trouble——

Q. No, no; answer my questions. Where did they get that reputation with you, of being within twenty-five miles?

A. From discussions in our office at Sidney, with the general manager of the company, and others who were experts in the work.

Q. What general manager told you that?

A. A. J. Moxham.

Q. Where?

A. At Sidney.

Q. Manager of what company?

A. General manager of the Dominion Iron & Steel Company.

Q. Did any general manager of the Tennessee Coal & Iron Company tell you that?

A. I did not see him.

Q. Did any officer of the Tennessee Coal & Iron Company tell you that?

A. I did not see him.

Q. What did you estimate to be the quantity of ore that the Tennessee Coal & Iron Company had?

A. I did not form any idea.

Q. Had you no idea?

A. That it was a great body, far beyond their requirements.

Q. Can you not give us an approximate estimate?

A. Oh, I have read all about it.

Q. When did you read about it? When did you do that?

A. I have been in the habit of reading up these things all the time. It is nothing new for me at all.

Q. When you formed the conclusion you spoke of, how much coal and iron ore did you attribute to the Tennessee Coal & Iron Company?

A. Sufficient to last them indefinitely.

Q. How much in quantity?

A. I didn't attempt to form any idea of quantity.

Q. Can you come within a million or two million tons of it?

A. Oh, I suppose it was a billion tons.

Q. A billion?

A. Yes.

MR. DICKINSON: Are you speaking of coal or iron?

THE WITNESS: Coal and iron both.

MR. DICKINSON: The two together, you mean?

THE WITNESS: Both.

By MR. LINDABURY:

Q. Which one? I am speaking of ore; coal or iron.

A. I formed an estimate that they would have as much as they required as long as they lasted.

Q. That is, the coal and iron, or the company,—which?

A. Both.

Q. And that answer applies to both coal and iron, does it?

A. I was asked by the counsel for the company if I did not want to go down and look it over, and told him no, I was satisfied.

Q. No, no. Please answer my questions. That last answer of yours applied to both coal and iron?

A. Yes sir; sufficient.

Q. Upon the assumption that the ore was near by, near enough, no matter how far, and the coal was near by, near enough, no matter how far, and that there was all of it that anybody would ever want during his lifetime, you then concluded that it had great potentialities; is that it?

A. I concluded that it had sufficient raw materials to make it a powerful and strong competitor.

Q. How deep down did you conclude or understand the ore could be found?

A. Enough to make it a practical business proposition.

Q. Oh, no; how deep down?

A. I didn't care. I don't undertake to answer any of those questions.

Q. Did you know whether they could get it near the surface or whether they had to go down two or three thousand feet?

A. If it was near the surface it would be a good business proposition; if they had to go down two or three thousand feet it would not be a good business proposition.

Q. Make it two or three hundred feet instead of two or three thousand feet.

A. I didn't care to ask those questions.

Q. Did you make any inquiry as to whether ore was found near the surface or deep down?

A. I didn't wish to, because those things were all established.

Q. What was your information?

A. My information satisfied me that the company was strong and powerful in that respect.

Q. What did you learn as to the cost down there to make a ton of pig iron?

A. I didn't separate anything; they could make pig iron cheaply when their mission was fulfilled, when they were regulated and organized. It was a good business proposition; they could make pig iron cheaper than it could be made at any other place.

Q. That is not what I am asking you. Did you know what it cost to make pig iron at Pittsburg?

A. I didn't care to know.

Q. I am asking you did you know at that time.

A. I had learned by current information; it was generally known.

Q. What was it at this time you are speaking of now?

A. I do not recall.

Q. Have you no idea?

A. It made no impression on me; I don't recall; it was merely comparative.

Q. Did you take any pains to ascertain what it cost to assemble the different elements and to manufacture them into pig iron, or into anything else?

A. Did I take any pains to find out?

Q. Yes; did you take any pains to inform yourself as to the actual cost of getting the coal, getting the ore, and—what else do they use in making pig iron?

A. Limestone.

Q. Anything else?

A. Those are the three principal ingredients.

Q. Did you ascertain what it cost in dollars and cents to get those together and then to manufacture them into pig iron?

A. I did not care to.

Q. You did not need to?

A. I did not need to. I told you they were so close to the plant and so well located that it was not necessary. I did not care to make any closer estimate than that.

Q. Did you ascertain what labor cost down there as compared with that at other places?

A. I didn't need to; it was cheap labor, and I understood it was there.

Q. Did you get the cost of any single item that enters into the manufacture of a ton of pig iron down there? I want yes or no to that, and not something else; I want to know.

A. I told you to begin with—

Q. No; I don't want that. I want to know whether you got the actual cost of any single item that enters into the manufacture of a ton of pig iron?

A. I did not.

Q. What was the market for the product of that company at that time?

A. The market for the Tennessee Coal & Iron Company?

Q. Yes; for its product.

A. The market was in the United States principally, although they exported pig iron to Europe.

Q. At that time?

A. They were reputed to export pig iron from that district.

Q. Do you know whether they did or not?

A. Most of the companies down there did; I understood they did.

Q. Did you have any information whether they did or not?

A. Only in a general way. I understood they exported.

Q. Tell me anybody that told you they exported pig iron?

A. Nobody told me.

Q. Nobody told you?

A. It was commonly understood—

Q. I object to that.

A. Well, that is what a man has to do.

Q. Can you tell me of anybody who ever told you, or any source of information you had, to the effect that they ever exported pig iron?

A. That it was exported from the Birmingham district. That is all I can tell you.

Q. I am speaking of the Tennessee Coal & Iron Company.

A. I don't know which one exported it.

Q. I shall be obliged if you will answer my questions, and not tell something else that I have not asked you, Mr. Buell.

A. All right.

Q. You are not employed by the government, I take it, are you, in this case?

A. Not that I know of; no, I am not employed by the Government.

Q. You have not been retained by the Government in this case?

A. I have not been retained by the Government or by anybody else.

Q. Well, don't you understand it is your duty as a witness to answer questions and stop there and not make speeches? When was it that you were down there at Birmingham last?

A. I was down there last year.

Q. For what purpose?

A. For the purpose of looking up ore properties.

Q. For whom?

A. A private concern.

Q. For a concern that was contemplating going into the iron business?

A. No.

Q. Contemplating purchase, or what?

A. They intended to use ore. It had nothing to do with this business.

Q. That related to some other ore?

A. Yes, sir.

Q. You did not examine the properties of the Tennessee Coal & Iron Company then?

A. I did not. I told you I never had examined it.

Q. Do you know what the product of the Tennessee Coal & Iron Company was at this time?

A. What they were making?

Q. Yes.

MR. DICKINSON: At what time do you mean?

THE WITNESS: At what time?

MR. LINDABURY: The time he said——

MR. DICKINSON: Do you mean the last time he was there?

MR. LINDABURY: No; I mean 1907.

MR. DICKINSON: The last time he referred to was last year.

MR. LINDABURY: I know; but I am now asking about the time when he made the estimate in 1907.

THE WITNESS: They were makers of pig iron.

By MR. LINDABURY:

Q. What were they making?

A. They were making pig iron, and had erected open-hearth steel works.

Q. Had they made any open hearth steel?

A. If you want a definite answer——

Q. If you know?

A. I don't know positively.

Q. Do you know that they made pig iron?

A. They made pig iron, yes.

Q. That is, you understood they did?

A. I know they made pig iron.

Q. Did you see their product?

A. I didn't see their pig iron, but it was openly sold in the market, and it was known as their pig iron.

Q. Did you know what it cost them to make it?

A. I told you I did not.

Q. You never got those figures, did you?

A. I didn't need to.

Q. I didn't ask you whether you needed to or not. We will determine that. Stop when you answer the question, Mr. Buell. Did you ascertain the cost of making that pig iron?

A. No; I did not.

Q. Did you ascertain the cost of any of their operations?

A. I did not.

Q. In these estimates that you made, just what did you conclude was the deficiency in their organization? I am not now speaking about what somebody told you, or repeating my question as to your informant, but I am asking for your mental operation in which was involved——

A. You are asking what I thought.

Q. The conclusion; what you thought then as to their not being well organized.

MR. DICKINSON: What period was that?

MR. LINDABURY: 1907.

MR. DICKINSON: No; I think you are wrong about that. That is why I asked.

THE WITNESS: I had nothing to do with it then.

MR. LINDABURY: I thought it was 1906 and 1907.

MR. DICKINSON: No; I thought you thought that, but you are mistaken.

THE WITNESS: Oh, no.

MR. LINDABURY: 1906.

MR. DICKINSON: No, no.

By MR. LINDABURY:

Q. Well, make it 1903 and 1904, then.

A. The period I was concerned in was back in 1895, 1896 and 1897.

MR. DICKINSON: 1895?

THE WITNESS: No; I have got my dates wrong.

By MR. LINDABURY:

Q. I thought you said 1905, 1906 and 1907.

A. No; let me get it straightened out.

Q. Well, get it right.

A. It was about 1902.

Q. I thought you said in your direct examination it was 1906 and 1907.

A. If you will——

Q. One moment. Am I in error?

A. I will tell you if you will let me answer you.

Q. No, no. I understood you to say on your direct examination that you formed this estimate and had this talk in the years 1906 and 1907?

A. No; that is too recent.

MR. DICKINSON: I thought you got that impression, Mr. Lindabury, because I said prior to 1907.

MR. LINDABURY: I may be in error.

MR. DICKINSON: I did not understand it as you did.

THE WITNESS: I may have my dates a little bit mixed; I have been away from there quite a time, you know.

By MR. LINDABURY:

Q. Let us have the time.

A. If you will find when Mr. Bacon was made Chairman you will get the exact date.

Q. I have not Mr. Bacon here and I have nobody here of whom I can ask that question.

A. It must have been about 1900 or 1901.

Q. Was it before the steel corporation was organized?

A. No; the steel corporation was in existence then.

Q. Then it must have been after 1900?

A. It must have been 1902. I should judge by my dates as to my return from there.

Q. You are not able to get very close to it, are you?

A. I have not very much on record. It has not interested me greatly, it did not at that time.

Q. No, you didn't consider the thing much at that time.

A. It was considered by other parties.

Q. No, I mean you.

A. I considered it.

Q. I thought you said you didn't consider it very much.

A. I said I didn't now; it is all past history.

Q. Have you forgotten it?

A. It is all past history. No; I haven't forgotten it, but I was engaged in other affairs, and let it go by.

Q. It was when?

A. About 1902, I should say.

Q. I will now repeat the question. In the estimate you formed, the conclusions you reached then, as to the formidableness or potentialities of the Tennessee Coal & Iron Company, what was there that you concluded could be done to better its condition and overcome its inefficient organization?

A. To thoroughly reorganize it and improve it and develop it.

Q. In what respects?

A. In every department.

Q. Was it then doing anything of account?

A. It was doing business, and I understood was not making money; was not satisfactory to its directors.

Q. Yes. Now I want to know if you can tell just what it was that you thought could be done to change its condition, and produce this great potentiality. What was your idea as to what would change a failure into a success; what was needed?

A. I should have reorganized the management of the company. I had a candidate for the position of general manager whom I intended to offer to go there. I should have reorganized every department in the hands of competent men and instructed them and expected them to do their work and build up the company. That would be my position as chairman of the company.

Q. Did you think anything else needed to be done?

A. There never is in any company.

Q. So your conclusion was that if that were done this potentiality would be realized?

A. Men are everything.

Q. Am I right, that that was all that you considered was necessary to be done to bring this company into the formidable situation that you alluded to?

A. I can't say that was all; because I had not gone into the subject of finances and that sort of things. I can't say it would be all. My duties would be to employ men and see that they did their best.

Q. How much of a plant did they have down there?

A. They had blast furnaces.

Q. Of what capacity?

A. I didn't go into their capacity; I expected to increase it.

Q. From what to what?

A. I don't remember; it was a very large concern.

Q. Had you any idea what the capacity of their blast furnaces was then?

A. No, sir; I had not.

Q. Had you any idea as to how much you would increase that capacity?

A. I should only increase it according to what the market demanded.

Q. Did you have any plan?

A. I couldn't possibly have any plan; I hadn't taken the position.

Q. Did you consider that it was at all deficient? Did you know that it was at all deficient then?

A. I was told so by the directors.

Q. And did they tell you how deficient it was?

A. They didn't go into the details. They were interested in studying me, rather than have me study them.

Q. And what were you studying at the time?

A. I was studying the interests of the company with which I was engaged.

Q. At Sidney?

A. Yes. I spent very few minutes with them.

Q. You thought this could be made a formidable competitor by putting in new blood and reorganizing the managerial staff and then making some indefinite increase in an unknown existing blast furnace capacity? Is that right?

A. That isn't a fair way to put it.

Q. Well try and put it in your own way.

MR. DICKINSON: Let the witness answer now, will you?

MR. LINDABURY: I am going to.

THE WITNESS: If I were going to undertake the management of that company or any other, I should begin by putting in the very best men I could find available, and then according to their recommendations and their abilities I should increase the capacity of the company according to what the market demanded as to its materials. Is that clear?

Q. Did you know what the market would stand down there?

A. I didn't look into it.

Q. Did you know what the area of its market territory was?

A. It would be according to the freight rates.

Q. I know it would. What were they?

A. The freight rates were then high; they would probably be reduced.

Did you take into account in these estimates you formed what the area of the market was? Did you ascertain it.

A. I understood the South was a great field, the frontier of this country, and the possibilities of development would regulate the possibilities of what that plant could do to a large extent.

Q. How much steel did it consume?

A. I don't know.

Q. You haven't any idea, have you?

A. It was all prospective. I calculated that company was a part of a pioneer movement in the frontier part of the United States.

Q. How long since you were in the steel business? I am trying to get at when you quit it or it quit you, whichever the case may have been.

A. Why, I have been intermittently in the iron and steel business up to the present time; up to the last six months or so.

Q. What was your last service?

A. The last business in which I was actively engaged in the steel business was with a firm of my own in New York. I had an office here in which I was conducting a general steel business.

Q. What was the name of that firm?

A. Buell and Mitchell.

Q. And where was its office?

A. 120 Liberty Street.

Q. And how long was it there?

A. Probably a couple of years, I should say.

Q. That was as long as it lasted?

A. I put it there with the purpose of having an office; I

had been with the Passaic Steel Company, went over to the Passaic Steel Company, and they couldn't raise the money they undertook to raise, and I left them and went into the the structural steel business in New York.

Q. Who was Mitchell?

A. He was my New York sales agent when I was at Sidney.

Q. You established a firm at Liberty Street.

A. Yes sir.

Q. And did structural steel work?

A. We calculated to do mostly that.

Q. Did you do any?

A. Considerable.

Q. What did you build?

A. We furnished —— well, we built structures; I can't tell you; various ones.

Q. For what structures did you furnish steel.

A. I furnished all of the steel reenforcements for the building that is occupied by the McGraw Publishing Company on 39th Street. That was the largest building I did in New York.

Q. During that time?

A. During that time.

Q. During the last two years?

A. That was the largest concrete building at that time in New York.

Q. You furnished the steel?

A. We got the contract and executed it.

Q. Where were you before that?

A. I went over to the Passaic Steel Company in an attempt to reorganize that company.

Q. That attempt did not succeed?

A. It didn't succeed because the directors didn't furnish the money.

Q. No matter; we won't go into that.

A. I know; but I would like to answer that.

Q. Very well. That is the reason a good many things do not succeed?

A. Yes.

Q. Before that where were you?

A. Before that I was with the American Tube and Stamping Company.

Q. And where is that?

A. Bridgeport, Conn. I told you that I operated their open hearth steel plant as manager of that department.

Q. For about how long?

A. About a year and a half, I should say.

Q. How long were you attempting to reorganize the Passiac concern?

A. Only a few months. Mr. McConnell was the general manager.

Q. Before you were at Bridgeport where were you?

A. I came directly from Sidney.

Q. And how long were you at Sidney?

A. A little over four years.

Q. And why did you leave there?

A. Because my children needed to be educated, and the facilities up there were very poor indeed, and I felt if I was coming back to the United States at all I might as well break away and come then.

Q. And where were you before that?

A. Before that I built the Seamless Steel Plant at Garwood, N. J.

Q. How long were you there?

A. About two years, as I recall it.

Q. Where were you before that?

A. With Washburn & Moen Manufacturing Company.

Q. Take up this list that has been put in evidence as Government Exhibit No. 1. The first company named on that seems to be the American Steel & Wire Company of Illinois. Was that, to your knowledge, in any one of these pools you mentioned?

A. I am not quite clear as to that.

Q. The next one—

A. May I explain that answer?

Q. No. If you know tell me, and if you don't know—

MR. DICKINSON: I think he has a right to explain his answer if it is not satisfactory to him.

MR. LINDABURY: I asked him if that company was in any of the pools.

MR. DICKINSON: Well, he made an answer and then asked to explain it.

MR. LINDABURY: He has been making explanations all along.

MR. DICKINSON: Well, I know, but—

By MR. LINDABURY:

Q. I do not want to be unfair, but I do not want you to give any more hearsay evidence, Mr. Buell. You understand that. If you know tell me; if you don't, say you don't know; that is all.

A. For the first three years I was out west Mr. Washburn was in charge of the sales.

Q. You have already told us that.

A. Yes; and I, as assistant manager, was very much mixed up in all of these things. Sometimes they came to my notice; and sometimes they didn't. So when I say to you I don't know, it doesn't follow that I was not fulfilling the duties of my position. Our Western plant—our barbed wire and copper wire business was largely moved to Waukegan, Illinois, and when that was done, our Chicago manager had these agreements locally, and we didn't pay much attention to them as long as he produced results.

Q. Mr. Buell, you have been excusing yourself for not knowing. I am not quarreling with you or criticising you for not knowing. I simply want to know whether you know or whether you don't.

A. Sometimes I didn't consider it necessary.

Q. Of course. It may not have been in any case; I don't know. Do not consider you are on trial for ignorance or intelligence.

A. No, sir.

Q. The next on the list is the Worcester Wire Company. Was that in any of the pools?

A. I think not.

Q. The next is the Cleveland Rolling Mill Company, having several properties. Was that in any of them?

A. I think I said that was in the mattress wire agreement

Q. Yes; that was in that mattress wire agreement alone, you said.

A. Alone.

Q. Yes; that is the only one of those companies, so far as you can recollect it, that was in it?

A. No; the American Wire Company, too.

Q. You mentioned—

A. The American Wire Company.

MR. DICKINSON: Then the Washburn & Moen Company made three.

Q. I meant beside the Washburn & Moen Company.

What year was it the Cleveland Rolling Mill Company was in this Woven Wire Mattress Pool?

A. May I refresh my memory a little bit?

Q. You may, certainly.

A. In 1896.

Q. In 1896. To what memoranda are you referring for the purpose of refreshing your recollection?

A. I am referring to notes that I looked up from time to time within the last day or two, and from what I had at home to tell me. These things have largely passed out of my mind.

Q. How did you happen to make that note to which you have just referred?

A. Purely by accident.

Q. I know, but you made that to produce it here today for the purpose of assisting your recollection, did you not?

A. I didn't know I had it until yesterday afternoon. I didn't know I had that information at all. I thought I had forgotten all I knew about it.

Q. The memorandum you have just produced was made within a day or two?

A. It was made yesterday.

Q. What I meant to ask was how you came to make it yesterday.

A. Because I sought to refresh my memory so I might be intelligent, which you seem to doubt to a certain extent, in making these answers.

Q. How did you know you were to give information on the points covered?

A. I didn't know anything about what information I was to give. I just hunted up all the casual information I could find.

Q. You didn't know you were going to be asked to tell here today about those pools?

A. About that pool?

Q. No; about pools generally.

A. I supposed I would be; I knew that was the purpose of your discussion here.

Q. That is what I meant.

A. Yes.

Q. You had already been subpoenaed, had you not?

A. I had been subpoenaed.

Q. And you had been interviewed by somebody on behalf of the Government, had you not?

A. Yes.

Q. And you were informed you would be expected to tell what you knew about these old pools, were you not?

A. I was asked questions about it, and I told them I would prefer to seek the advice of my counsel before I answered.

Q. Never mind about that. What I want to know is, you looked this matter up for the purpose of informing yourself upon the subject about which you might be examined.

A. Yes.

Q. It is perfectly proper.

A. Yes sir.

Q. I am not criticising you.

A. I only wish I had more. I am sorry my papers were largely destroyed.

Q. The result of the best thought and examination you were able to make among your papers brought no other conclusion, and included no other name than that of the Cleveland rolling mill and the American Wire?

A. In that agreement?

Q. As members of that wire mattress pool.

A. I had the names of all the members.

Q. You had the names of all the members?

A. Of all the members, yes.

Q. Then you are sure as to your record with respect to that?

A. Oh, yes.

Q. You are sure there were no other members of that pool or agreement except those two companies?

A. Oh, no; I didn't say so.

Q. And the Washburn & Moen Manufacturing Company?

A. I didn't say so. You asked me to pick out from that list.

Q. I mean of those that are mentioned in this list.

A. Correct.

Q. (Continuing) That went into the American Steel & Wire Company?

A. That is right.

Q. Take the Indiana Wire Fence Company, another one of the plants that went into the American Steel & Wire Company. Was that in any of these pools?

A. Not that I know of; but——

Q. You have answered the question.

A. I told you they were handled from Chicago——

Q. No, no; please simply answer my question. I only want to know whether that was in any of these pools.

A. Not so far as I know, I do not know.

Q. The Garden City Wire & Sring Company, plant at Chicago. Was that in any of these pools?

A. I do not know.

Q. Do you know of its having been in any of them?

A. I do not know.

Q. You do not know whether you know or not?

A. No, you asked me a question——

Q. Was it in any of them?

A. You asked me whether it was in or not.

Q. You have no knowledge yourself that it was in?

A. I have not.

Q. The Laidlaw Bale Tie Company?

A. I do not know whether it was or not.

Q. That is located at Joliet, Illinois?

A. I am not sure about that.

MR. DICKINSON: Are you speaking now of any pools?

MR. LINDABURY: Yes; any of these pools he has been talking about, whether they were manufacturers of bales or barbed wire or any other kind of wire.

MR. DICKINSON: I understood it that way.

By Mr. Lindabury:

Q. The Consolidated Barb Wire Company. Was that in any?

A. I do not know.

Q. The Union Rolling Mill Company. How about that?

A. I do not know that.

Q. Do you know of your own knowledge of that having been in any of these pools?

A. I do not know of their having been, and I do not know of their not having been.

Q. The Portage Iron Company, plant at Duncansville, Pennsylvania.

A. I do not know.

Q. The Newburgh Wire & Nail Company. How about that?

A. I do not know.

Q. The Allegheny Furnace Company, with plant at Allegheny, Pennsylvania?

A. I do not know.

Q. Let me ask you now about something which you may know, or at least about which you have been testifying. In what articles or products did the Allegheny Furnace Company compete with Washburn & Moen?

A. I do not know that they competed in anything; I do not know the company.

Q. Then you would not say they were a competitor of Washburn & Moen?

A. If they made wire—

Q. Oh, no, no. Are you able to say now, here, that the Allegheny Furnace Company was a competitor in any way of Washburn & Moen?

A. I am not able to say.

Q. Did you not testify in your direct examination that every one of these was a competitor?

A. I said everybody that made wire was a competitor.

Q. Oh, everybody that made wire in the United States, I suppose you could say was a competitor; that everybody else that made wire was a competitor?

A. Precisely.

Q. Have you any other basis for your statement as to competitors except that?

A. My regular daily practice. If they were prominent we competed with them. I often knew of them from our salesmen.

Q. You assume that everybody who made and sold wire competed with everybody else who made and sold wire?

A. Unless they had agreements, they did; unless their territory did not touch, or else they were too far distant from each other.

Q. That was true sometimes, was it not?

A. Naturally.

Q. A man who made wire in California did not compete with a maker of wire on the Atlantic seaboard, did he?

A. Yes, sir, he did.

Q. Then did a man who manufactured wire out in the neighborhood of the Rocky Mountains compete with a man who manufactured wire in the neighborhood of Pittsburg?

A. I should say he did sometimes.

Q. What wire product in Pittsburg competed with a wire product in Colorado and the West?

A. They could compete, if the freights would permit, on all kinds of wire—

Q. That is not what I asked you. Freights did not permit, did they?

A. Sometimes they did, I suppose.

Q. Do you know whether they did or not?

A. I do not know.

Q. Take another company, the Portage Iron Company. Did they compete with Washburn & Moen?

A. I do not know of them at all.

A. It is one of these on this list, the list you said was the list of your competitors. Take the Newburgh Wire & Nail Company.

A. They competed.

Q. What did they make?

A. They made wire and nails.

Q. Did they sell wire?

A. I think they made bale ties.

Q. Do you know whether they did or not?

A. I think they did.

Q. Where were they located?

A. In eastern New York; Newburgh, I think.

Q. Do you know whether they were or not?

A. I never went to Newburgh.

Q. Do you know whether they were located there?

A. I had no occasion to go there. They were competitors.

Q. Do you know how large their plant was?

A. It grew.

Q. I suspect they all grew.

A. Yes, sir, they all grew.

Q. What was the size of it at the time we are talking about, approximately?

A. I would not attempt to say.

Q. How much nails did they put out?

A. I do not know.

Q. I suppose if they sold a keg of nails anywhere in the United States you would call them competitors, would you?

A. It would depend on who they sold them against. Very few buy anything without competition; or they did not in those days.

Q. Are you able to say that they made cotton ties?

A. Cotton ties?

Q. Did you not say cotton ties?

A. No, bale ties. I told you I thought they made bale ties.

Q. But you are not sure about that?

A. I am not sure.

Q. We will try another company; the Pittsburg Wire Company. Were they competitors?

A. Yes, they were.

Q. What did they make?

A. They made wire.

Q. What kind of wire?

A. All kinds of wire, within a certain range, that the Pittsburg people generally make.

Q. Did they sell it in the wire state or weave it up into something?

A. They sold it in the wire state; I do not know what else they did do.

Q. How large was their plant?

A. I do not know how large they were. They were very active.

Q. I will take the next one, the Shenango Valley Steel Company, New Castle, Pennsylvania. Were they competitors?

A. Yes.

Q. What did they make?

A. I do not know.

Q. Why do you say that they were competitors?

A. If they made wire at that time they were competitors.

Q. Did they make wire at that time?

A. I do not know.

Q. Then you do not know——

A. (Interposing) I am not familiar with that company.

Q. You do not know whether they were competitors or not, then?

A. If they made wire, they were.

Q. If they made wire, of course, and sold it in competition, they were competitors.

A. Is that a list of wire-makers?

Q. This is the list about which you were examined by Judge Dickinson.

A. Is it a list of wire makers?

Q. Never mind. If you did not know what it was when you were testifying on direct examination, I cannot help you. It is the same old list you knew so much about on your direct examination. Take the Shoenberger Steel Company, with its plant at Pittsburg, Pennsylvania; was that a competitor of Washburn & Moen?

A. I have forgotten whether they made wire or not.

Q. Did you ever know?

A. Did I ever know what?

Q. Whether they made wire or not?

A. I may have known. If so, I have forgotten it now.

Q. Did you ever see any of their product in the market anywhere?

A. I do not think I have.

Q. So you are not able to say that they are competitors, are you?

A. Let me explain to you——

Q. No, I do not want you to explain. Are you able to say whether they were competitors?

A. If they made wire, they were.

Q. Oh, of course they were competitors if they competed.

A. I am answering you just as I wish.

Q. You would say that about everybody?

A. If they made wire, they were competitors.

Q. And did they make wire?

A. I do not know.

Q. If they did not make wire, did they compete?

A. If they did not make wire?

Q. Yes. Did Washburn & Moen make anything but wire?

A. They made cold rolled steel.

Q. Did these people make cold rolled steel?

A. I do not think so.

Q. And you do not know whether they made wire or not?

A. No.

Q. I will try another company; the Puget Sound Wire Nail & Steel Company. That is located at Everett, Washington. Was that a competitor?

A. If they made wire and nails, they competed.

Q. Did they make wire and nails?

A. I do not know.

Q. In testifying this morning that these were all competitors, why did you so testify?

A. I told you that if that was a list of wire-makers in the United States, they were competitors.

Q. You did not tell Judge Dickinson anything of the kind. You said they were all competitors with Washburn & Moen.

A. I was handed that list as a list of wire-makers in the United States, and I pronounced them competitors.

Q. Did you look at the list?

A. I accepted it as a list of wire-makers in the United States.

Q. Who told you that that is what it was?

A. Mr. Dickinson.

Q. Oh, no, he did not tell you that it was a list of wire-makers at all.

A. (Addressing Judge Dickinson.) Did you not?

MR. DICKINSON: I told you that it was a list of the companies that had been absorbed by the American Steel & Wire Company.

THE WITNESS: That was sufficient evidence that they were wire-makers.

By MR. LINDABURY:

Q. Because the American Steel & Wire Company took in these concerns, you therefore assumed they were all wire-makers?

A. No, I did not assume that they were all necessarily wire-makers.

Q. And you based your testimony that they all competed with Washburn & Moen and so competed with each other just upon that notion that they must have been wire companies, because they were brought into the American Steel & Wire Company?

A. I understood that to be a list of wire-makers; I thought it was a list of wire-makers in the United States, and that as such we competed with them and they competed with us. That is all I know about that.

Q. Were there no wire-makers in the United States at that time other than this list of about twelve or fifteen?

A. Yes, there were.

Q. How many were there in the United States at that time?

A. I do not know.

Q. Approximately, how many?

A. I cannot tell you; I do not know. I have not looked it up.

Q. There are here something less than 20.

A. The records will show; there are published records that can tell that.

Q. I suppose that is so; but I am trying to get at what you know.

A. I did not stop to count them.

Q. Take the Edgar Zinc Company. Is that a wire-company?

A. I do not know; I never heard of it.

Q. You would not say that that was a wire-company?

A. I would not think so.

Q. You would not say that it was a competitor?

A. If it does not make wire, it is not a competitor.

Q. Take the Puritan Coke Company. Is that a wire company?

A. I do not know. I never heard of their making wire.

Q. The name would not indicate that it made wire?

A. Is that a lower list than the main list?

Q. No, it is in the main list. I will try to help you and let you look at this, to resolve your doubts. We will take every one of them. I am down here, now (indicating on list). Puritan Coke Company. That does not sound like a wire mill.

A. I did not say it was a wire mill.

Q. But should you think it was a wire mill?

A. I should not say so.

Q. You never heard of it before?

A. I do not think I have.

Q. You would not say it was competing with Washburn & Moen Company, would you?

A. I should not say it was.

Q. You would not say it was one of those that were competing with each other, as you call it; that is, with all the others?

A. Not unless it was a wire-maker.

Q. Take the next one now, Clark & Sauntry, located at Virginia, Minnesota. Was that a competitor with Washburn & Moen?

A. I do not know what they mine. Do you?

Q. No matter what I know; I am trying to find out what you know or do not know. Would you say that was a competitor with Washburn & Moen?

A. Not unless it made wire.

Q. Did it make wire?

A. I do not know.

Q. Is there anything to indicate that it did?

A. Nothing there.

Q. Is there any statement on that paper which says that it did not?

A. I have not read the paper.

Q. Then you had better read it.

A. Shall I read it now?

Q. I think you had better do so. I want to get your basis for saying that all these concerns competed with Washburn & Moen and with each other.

A. That it not a fair presentation of my statement.

MR. DICKINSON: You can look at the sheets and see what products are made by the several companies.

MR. COLTON: Let him read it.

THE WITNESS: If they made wire—

MR. LINDABURY: Oh, no——

MR. DICKINSON: Read it. You asked him to read it.

MR. LINDABURY: I asked him to see if he found anything that indicated—

MR. DICKINSON: (Interposing) Let him read it through, then.

THE WITNESS: I will read it.

MR. LINDABURY: In order to please Judge Dickinson—

MR. DICKINSON: No, that does not please me. I want him to read it.

THE WITNESS: That does not please me either.

MR. DICKINSON: You told him to read it. Now, I want him to read it.

(The witness examined the list referred to before the next question was asked).

By MR. LINDABURY:

Q. Take the Shoenberger Steel Company—

MR. DICKINSON: Mr. Lindabury, do you decline to let him read it?

MR. LINDABURY: No, I am going to try to get him right. If he had read it, there would not be as much to correct.

By MR. LINDABURY:

Q. Take the Shoenberger works.

(Reading:) "Owned by Shoenberger Steel Company. The American Steel & Wire Company of New Jersey owns all the shares of the capital stock of the Shoenberger Steel Company. Plant comprises 12 acres, located in a central position in the city of Pittsburgh, having large dock frontage on the Allegheny River. Property consists of: Two blast furnaces, capacity 13,500 gross tons pig iron monthly; Bessemer steel plant, capacity 11,000 gross tons ingots monthly; O. H. Steel plant, capacity 4,000 gross

tons ingots monthly; blooming and billet mill, capacity 10,000 gross tons blooms and billets, monthly; plate mill, sheet mill, skelp mill ("Juniata" brand), capacity of 5,500 gross tons plates, 600 gross tons sheets, and 2,000 gross tons skelp monthly; horse and mule shoes, capacity 40,000 kegs monthly (horse and mule shoes and toecalks). Improvements are now under way which will increase the capacity of the Bessemer plant and billet mill to double its present capacity," and so forth. There does not seem to be any wire there.

A. No. They make open hearth steel, I see. We made open hearth steel.

Q. Then you say they competed in open hearth steel?

A. They might; but we put all our open hearth steel into wire and rods.

Q. I do not find this Allegheny mine on here at all. See if you can find it.

A. Do you want me to read it through?

Q. If you can take it over night and read it through, I recommend you to do so, to try to get this straight. But we were talking about the Clark & Sauntry mine at Virginia, Minnesota. I did not find it, and I wanted you to see if you could help find it. It does not seem to be here.

A. Then we will not discuss it.

Q. Then it is not worth while to discuss it; but what I was asking you is to think again and see whether you would stand by the testimony you gave this morning, that was not based on this at all, but on a recollection that all these plants competed with Washburn & Moen and each other.

A. No, I did not say so; I said all the plants that made wire competed with Washburn & Moen.

Q. That is what you say now.

A. If I said anything different, that is what I intended to say.

Q. All right, take that correction. All that made wire competed with all others that made wire?

A. Competed with Washburn & Moen.

Q. And with Washburn & Moen, both?

A. I did not say they competed with each other. I do not know that.

Q. All right, then. Take it qualified as you have it now, that they competed with Washburn & Moen. Which on this list of about 20 made wire, of your own knowledge? I will count the number.

A. I do not care to speak from memory. If you want me to count them up I can tell you at some other time.

Q. There are 25 on this list as having gone into the American Steel & Wire Company. I must ask you to testify from memory, on cross-examination, on the memory of the list which you have given this morning, how many of those 25 were makers of wire?

A. How many of these 25?

Q. Yes; on this paper. The number is 25 that went into the American Steel & Wire Company.

A. I cannot answer that.

Q. State as nearly as you can.

A. It is impossible for me to answer it.

Q. Washburn & Moen?

A. Yes.

Q. Who else made wire?

A. I cannot answer from memory.

Q. Take the list, now.

A. I cannot answer without looking it all over.

Q. One moment. You are not going to read what it says inside. From your memory, which of those 25, except Washburn & Moen, made wire? Run down the list, on the first page.

A. The number?

Q. No, the names.

A. What should constitute enough knowledge to answer?

Q. As to that, Judge Dickinson and I differed this morning. It must be something that amounts to knowledge, so you can swear you know that they made wire; that is what I want. You can satisfy your conscience in any way you please about what knowledge is required.

MR. DICKINSON.—I do not think that is proper on cross-examination——

THE WITNESS.—No, it is not.

MR. DICKINSON.—I do not think he needs to be lectured——

MR. LINDABURY.—I am not trying to lecture him.

MR. DICKINSON.—I think that is improper, and I object to that.

By MR. LINDABURY:

Q. All right. I will repeat the question. Which of those 25 names besides the Washburn & Moen made wire, so far as you know?

A. So far as I know?

Q. Yes; of which you have knowledge: that is what I mean. Which of them, to your knowledge, made wire besides Washburn & Moen?

A. Do you want me to say that I have been in their plant and seen them make wire?

Q. No, no.

A. I want to know what constitutes sufficient knowledge before I answer.

Q. I think we would not agree about that, and I leave you to decide that, and I will ask you the basis of your knowledge, if I choose to, later. Answer the question according to what you think constitutes knowledge.

A. I will tell you the names of the firms that were reputed to be competing with us; the names I heard through our salesmen's department as regularly competing with us.

Q. I do not want that——

A. That is all the knowledge I can give you.

Q. That is simply hearsay.

A. No, it is not hearsay. Our organization regularly reported competition with these concerns.

Q. Have you any knowledge of that?

A. I did not need to have any knowledge of that.

Q. You are not the judge. I am asking you if you had any knowledge of that.

A. As a business man I did not need to have any other knowledge.

Q. Please do not argue. I want to know whether you had any knowledge besides that. Answer yes or no. Have you any knowledge besides reports from your salesmen on the subject of who else was making wire?

A. Yes, in some cases personally.

Q. Then give me that.

A. As I was manager of the department, I did not usually go out to sell goods.

Q. Give me the knowledge that you have that you call personal.

A. The knowledge that came through our salesmen——

Q. As to which of these? Not what came through your salesmen.

A. I cannot give you other knowledge than that.

Q. All right.

A. It is impossible.

Q. Did you yourself sell any steel in the market?

A. Yes, sir, I did.

Q. What kind of steel did you sell?

A. Open hearth steel.

Q. I thought you said a while ago that you manufactured it into wire?

A. I sold it in the form of wire and rods.

Q. You mean you sold steel rods and steel wire?

A. Yes, sir; steel rods and steel wire.

Q. Yourself?

A. When the contracts were large enough to require my attention, I went out and helped our salesmen make sales. Sometimes men came to our plant.

Q. Did you sell anything other than rods and wire?

A. Not as a general thing. Yes, I sold all of our by-products.

Q. You did not sell raw steel abroad?

A. Not in the form of billets.

Q. Simply wire and wire products?

A. Simply wire and wire products and wire rods.

MR. LINDABURY: That is all.

By MR. DICKINSON:

Q. You spoke of a memorandum that you had there. You were asked about it. Who prepared that memorandum?

A. I prepared it.

Q. You prepared it yourself?

A. I found it myself among my papers.

Q. You found it among your papers?

A. Yes.

Q. Have you exhibited it to anybody at all?

A. Nobody has ever seen it.

Q. You found it, you say, yesterday?

A. Yes, sir.

Q. You were not furnished anything on that memorandum

A. Not by any one.

Q. Where did the Washburn & Moen Company sell its wire? In what parts of the United States?

A. It sold it all through the Eastern states and New England; in fact, in all parts of the country, but principally east of the Allegheny—east of the Rocky Mountains; but we shipped to the West, of course, by water.

Q. Then you sold generally in all parts of the United States?

A. Practically all.

Q. State whether or not, then, you were competitors in all parts of the United States and in all markets of the United States.

A. We were competitors in all parts of the United States.

Q. You were asked if a concern out toward the Rocky Mountains made wire, whether they would compete with a concern on the Atlantic. Suppose there were no manufacturing wire concerns in the vicinity of the Rocky Mountains and all of them were on the Eastern coast. Who would have the trade then?

MR. LINDABURY: I object to that as speculative.

By MR. DICKINSON:

Q. Who would have the trade?

A. The man who made wire and sold it at the least price.

Q. If, subsequently, a manufacturer started up out West, would it or not become a competitor then?

A. Certainly.

Q. Then your position is that all makers of wire are competitors, is it?

A. Certainly, all are.

Q. And that all of these concerns mentioned here, who made wire, were competitors?

A. Exactly.

Q. In interstate and foreign commerce?

A. They were.

Q. Now, you had a plant, I understand, at Waukegan, Illinois?

A. Yes, sir.

Q. I understood you to say that you yourself sold some of the products of the Washburn & Moen Company?

A. Yes, frequently.

Q. In doing that, state whether or not you met competitors.

A. You mean whether we had competitors?

Q. Yes, whether you had competitors.

A. Yes.

Q. Did or did not that bring you into possession of knowledge as to whom your competitors were?

A. So far as it went; yes.

Q. So far as it went?

A. So far as I made sales; yes.

Q. As to those competitors, you had personal knowledge?

A. Yes.

Q. Did you know a concern known as the Indiana Wire Fence Company?

A. Only through our Chicago office; I heard of it.

Q. You had no personal knowledge of it?

A. I had nothing to do with it personally.

Q. Do you know the I. L. Ellwood Company?

A. I heard of them in the same way; and I had heard of them previously, because in the first part of my administration we had no Waukegan plant, and we shipped everything from Worcester to compete with those Western plants.

Q. The Ellwood Wire & Nail Company; was that a Western plant or not?

A. I do not distinguish them from the other. The I. L. Ellwood Company is the only one I knew myself.

Q. How about the McMullen Fence Company of Evanston, Illinois?

A. They were a Western plant and known by us through our Chicago office.

Q. Were they a competitor of your concern, or not?

MR. LINDABURY: I object to that. How does he know? He has already testified that he does not know whether they made wire or not. You are asking for a guess.

MR. COLTON: You did not name these subordinate companies. You were speaking of companies formed after the American Steel & Wire Company of Illinois was formed. Most of these companies existed prior to this time.

MR. LINDABURY: That did not exist at the time we are talking about.

By MR. DICKINSON:

Q. As general sales agent and manager, you say you got reports from time to time from your men in the field?

A. Yes, sir.

Q. Was that a part of your business, to know who your competitors were?

A. It was very generally known to me at that time.

Q. Who your competitors were?

A. Yes, sir; very generally.

Q. Can you look over this list and state, mentioning those whom you know as of personal knowledge and those from the knowledge that came to you through your salesmen of the general competition in the field, which of these concerns were competitors of the Washburn & Moen Company? Take time to look through it.

A. I cannot separate the two—

MR. LINDABURY: I object to that, as calling for hearsay evidence.

By MR. DICKINSON:

Q. Answer first as to your personal knowledge, and then answer the other part of the question. I will ask you first to go through this list, not merely the first list, but all the years of these companies, and take your time and look at it and see which of those you know of your own personal knowledge were competitors of the Washburn & Moen Company.

MR. LINDABURY: Let him take a night for it.

THE WITNESS: May I make a statement right there?

MR. DICKINSON: It is now six minutes of one, and I suggest that we take a recess, if that is satisfactory.

MR. LINDABURY: You had better let this witness have until to-morrow morning to look up this information.

MR. DICKINSON: I can recall him to-morrow and go on with another witness this afternoon. Do I understand that you consent that I may recall him to-morrow?

MR. LINDABURY: Yes.

THE WITNESS: As to the information you are asking for, these things have all been crossed out of my business life a long time ago, and very few of the records, so far as I kept any record, are remaining at all. I went into other business and engaged myself in other affairs and the things I probably knew at that time I have not attempted to retain in my memory at this time.

By MR. DICKINSON:

Q. You can refresh your memory the best you are able to do.

A. As far as I can.

Q. And prepare yourself to answer the two questions.

A. Yes.

Q. As to which of those were competitors according to your personal knowledge, and then which were competitors according to the knowledge gained from the course of trade, and the competition that you understood you experienced through the reports of your salesman, separating the two.

A. When do you want me to tell you that?

MR. DICKINSON: To-morrow morning.

THE EXAMINER: We will now take a recess until half-past two.

(At 12:55 p. m. a recess was taken until 2:30 p. m.)

AFTER RECESS.

2:30 o'clock p. m.

GEORGE E. HOLTON,

called as a witness on behalf of the United States, being first duly sworn, testified as follows:

DIRECT EXAMINATION,

By Mr. Dickinson:

Q. Mr. Holton, where do you live?

A. Catasauqua, Pennsylvania.

Q. In what business are you engaged?

A. In the manufacture of horseshoes.

Q. With what company, if any, are you connected?

A. The Bryden Horseshoe Company.

Q. How long have you been with that company?

A. Twenty years.

Q. What is your position with it?

A. President and Treasurer.

Q. Have you any connection with the United States Steel Corporation?

A. In no way.

Q. Your company has none?

A. In no way.

Q. State whether or not your company was engaged with any other companies in any pools for the sale of horseshoes and if so, for what period of time?

A. It was connected with what was known as the Horseshoe Manufacturers' Association from 1901 until 1909.

Q. Until what time in 1909?

A. March.

Q. Did that association have any agreement?

A. Yes.

Q. Did they have rules and regulations?

A. Yes.

Q. Are you acquainted with the agreement and rules and regulations?

A. I am not acquainted with the agreement, but I was acquainted with the rules.

Q. Did you never see the agreement?

A. No, sir.

Q. What other concerns were engaged in that agreement besides your company?

A. The American Horseshoe Company, the Phoenix Horseshoe Company, the Rhode Island-Perkins Horseshoe Company, Tredegar Iron Works, the Old Dominion Iron & Nail Works, the American Steel & Wire Company.

Q. Do you remember the American Horseshoe Company of Phillipsburg, Pennsylvania?

A. I do.

Q. I will just go over this list in order, and you may state whether it is correct. The American Horseshoe Company of Phillipsburg, Pennsylvania.

Q. Of New Jersey, but Phillipsburg, Pennsylvania, is where it was.

A. New Jersey.

MR. LINDABURY: Phillipsburg is in New Jersey.

By MR. DICKINSON:

Q. The American Steel & Wire Company?

A. Yes, sir.

Q. Bryden Horseshoe Company?

A. Yes.

Q. Diamond State Steel Company.

A. Yes.

Q. Eagle Horseshoe Company?

A. Yes.

Q. Sideweight Horseshoe Company?

A. Yes, sir.

Q. Old Dominion Iron & Nail Works Horseshoe Company?

A. Yes sir.

Q. Phoenix Horseshoe Company?

A. Yes, sir.

Q. Tredegar Company?

A. Tredegar Iron Works.

Q. Yes; Tredegar Iron Works, Richmond.

A. Yes.

Q. You say that association began in 1901?

A. Yes.

Q. State whether or not it was on the third day of January, 1901, or about that time?

A. About; I can't say exactly.

Q. As near as you can state or recollect it, it was about that time?

A. Yes.

Q. Did you ever read over the agreement?

A. I did not.

Q. You did not?

A. Not to the best of my knowledge.

Q. You state, however, that you were acquainted with the rules and regulations of the Association?

A. I was.

Q. Please look at this paper and examine the rules and regulations as set out therein, (the paper being marked Government Exhibit No. 2 for identification), and state whether or not those were the rules and regulations.

MR. LINDABURY: Of what?

MR. DICKINSON: Governing that Association.

MR. LINDABURY: I understood the witness to say he did not know.

MR. DICKINSON: He said he did not know the agreement, but he said he did know the rules and regulations.

MR. LINDABURY: We would not have any difficulty agreeing about them; I know there were rules and regulations.

MR. SEVERANCE: May I make a suggestion?

MR. DICKINSON: Yes.

MR. SEVERANCE: I do not find in the petition any allegation about this pool this gentleman is testifying about?

MR. DICKINSON: Well, you can object if you want to, but I have not time to stop and go over that.

MR. SEVERANCE: Very good. We will reserve objection to all this testimony as not within the issue raised by the pleadings, as immaterial and irrelevant.

THE WITNESS: I could not say whether these were exactly right unless I took time to read them through in detail. Do you wish me to do that?

By MR. LINDABURY:

A. I wish you would, yes.

A. I have read the agreement, and in the main that is what we operated under. Also, as I said, I was not a party to that agreement.

Q. How about the rules?

A. Do you wish me to read the rules, too?

Q. Yes. I could probably shorten it. You have read the agreement?

A. I have.

Q. And the agreement as set out here is substantially the agreement under which you operated during the period you have stated?

A. It is.

Q. Following this, or attached to this agreement, are what purport to be certain rules and regulations of the association. I will read you Rule 11.

MR. LINDABURY: Would you mind telling us where you got this copy? Is it authenticated in any way?

MR. DICKINSON: It has been proven, I understand, by your Mr. Taylor.

MR. LINDABURY: Somebody who was supposed to know?

MR. DICKINSON: Yes, sir.

Q. (Continuing.) Rule 11, as it appears here, is as follows:

"Complaints and fortfeitures: Any of the parties hereto who shall have cause to suppose that any of the other parties hereto, or their agents or employees have committed a violation of the rules and regulations of this Association, shall make complaint to the supervisor, and at the same time forward him such evidence in support of the complaint as is obtainable.

"The Supervisor or his appointed deputy shall investigate the complaint in such manner as he may consider best, and shall have the power to examine all books, papers, and correspondence of the members or their agents, and to examine members or their agents or employees under oath in order to ascertain the truth or falsity of any complaint. The Supervisor shall not, under any circumstances, reveal to the party complained of the name of the complainant. After the Supervisor has obtained all the information and evidence within his power, he shall decide, whether the complaint is proven or not, and his decision shall be final and conclusive.

"If the Supervisor shall decide that there is or has been any breach of the prices, terms or regulations established by this Association, he shall at his discretion thereupon deduct from the deposit of the proper party, as hereinafter provided for, a sum of not less than Five Hundred ($500) Dollars or more than One Thousand ($1,000) Dollars as a penalty, and shall at once divide the same equally among the parties hereto, excepting the party committing the violation. The Supervisor shall notify the party from whose deposit the deduction has been made at once, stating the amount that has been deducted.

"Within ten days after the deduction, as hereinbefore provided for, shall have been made from the sums deposited or paid in by any member, the said offending party shall make the same good by a deposit of a corresponding amount of money with the Supervisor, and in case of his failure so to do, the Supervisor is hereby authorized to immediately divide the balance of any funds belonging to the offending party which may remain in his hands among the other parties to this Association.

"If any member shall neglect to make his Association payments to the Supervisor within the time allowed, the same shall forthwith be made by the Supervisor out of any funds deposited in his hands by the party failing to make the proper payments, and the said party shall be allowed ten days after notice in which to make a new deposit equal to the amount taken from the hands of the Supervisor. And in case of his failure to make such new deposit within ten days after notice, the balance, if any, remaining after the proper payments shall have been made, shall be forthwith equally divided by the Supervisor among all the remaining parties hereto, except the party failing to make such additional deposit, and in case any party hereto shall fail to file his reports as hereinbefore provided for, or shall withdraw from the Association before its expiration, after ten days' notice of default after failure to file returns, or immediately after withdrawal, he shall forfeit all his share of the funds in the hands of the Supervisor, which shall thereafter be immediately equally divided by the Supervisor among the other remaining parties hereto."

Now, Mr. Holton, tell me whether or not this Association, during the period it was together, operated under that rule.

MR. LINDABURY: Do not answer. I object to that question. It appears by the testimony of the witness that the American Steel & Wire Company, and I believe every other manufacturer of horseshoes, was in this pool, and the existence of the pool, or any of the operations thereunder, is irrelevant to any inquiry that is involved in this suit. There is no more basis for dissolving the American Steel & Wire Company on that ground than there is for dissolving every other member of the pool and driving everybody out of business. If it is an offense, it is one for which they have already paid the penalty, and it is quite irrelevant.

MR. DICKINSON: Let the objection be entered, and answer the question.

THE WITNESS: Will you put the question again, please?

By MR. DICKINSON:

Q. I ask whether or not this Association, during the period of your connection with it, operated under that rule.

A. They did.

Q. And carried it out?

A. It was never enforced.

MR. LINDABURY: That is, they operated out from under it.

A. (Continuing) It was a rule, but it was never enforced.

By MR. DICKINSON:

Q. But that was the rule of the Association?

A. Yes.

Q. Did you not deposit money?

A. Yes. The forfeiture clause was never enforced.

Q. There was no penalty attached?

A. No.

Q. But that was a rule that you entered into, that was a part of the understanding under which you operated?

A. Yes.

Q. It refers there to a supervisor. Who was the supervisor of that Association?

A. Mr. Edwin E. Jackson.

Q. What authority did he have in respect to fixing prices, if any?

A. None; not any.

Q. What authority did he have with respect to naming the bidders who should bid for any particular contract?

A. Not any that I know of.

Q. Rule No. 19, as stated there, provides as follows:

"It is most solemnly understood and agreed that each of the members of this Association pledges his personal honor with all the other members that he and the company which he represents will strictly maintain all the prices, terms, regulations, rules, and requirements stipulated in these rules, or which may hereafter be regularly adopted. And it is expressly understood that no real or alleged infraction of these rules on the part of any member shall be any excuse for a similar or any infraction of these rules by any member of this Association."

Did you have a rule in substance like that?

A. We did.

Q. And operated under that rule?

A. We did.

Q. It refers here to maintaining all the prices, terms and regulations. Did you agree upon the prices?

A. Yes, sir, we did.

Q. And maintained the prices under the rules of this Association?

A. It was the purpose of the Association, but the object was not always attained.

Q. The object of the Asociation, then, was to fix prices and to bind the members to live up to and enforce those prices?

A. Yes.

Q. Was it or was not the subject matter of this agreement moving in interstate and foreign commerce; that is to say, was it or not sold by the different members of the Association, from one side to another?

A. Yes.

Q. Therefore this agreement applied to products that were sold by the several members in interstate and foreign commerce?

A. In domestic or interstate business, yes; in foreign commerce, no. There were never any agreed prices for foreign business.

Q. But as to interstate business there were?

A. Yes.

Q. I understood you to say that Mr. Jackson did not designate, in respect to any bids, or proposed contracts, who should be the bidder?

A. Are you asking now about a rule of the Association or one that we were governed by individually?

Q. That members of the Association were governed by?

A. There was one thing we were never governed by.

Q. What was the thing you were never governed by?

A. We never recognized any price that Mr. Jackson issued for Government bids.

Q. Did Mr. Jackson, as a matter of fact, as to other members of this association, issue prices and fix them upon Government bids, and designate who the bidder should be?

A. He did.

Q. I will ask you whether or not it was your undestanding that this was determined upon by the Association: "That when any Government bid is called for each member shall promptly notify the supervisor, who shall communicate with the various members of the Association, and shall select from among those who desire the bid some one party whom he shall authorize to make such prices as may seem best in order to take the business, so that by this means such Government business shall be apportioned among the various members as nearly as possible in accordance with the allotments of the various parties to the Association."

A. There was such a rule.

Q. But individually your company did not abide by that?

A. No, sir.

Q. With whom was the correspondence between your company and the Association, as an association, carried on? That is to say, on the Association's side who represented it?

A. Mr. E. E. Jackson.

MR. DICKINSON: I now offer in evidence the correspondence between the Bryden Horse Shoe Company, and Mr. Jackson, Supervisor, and shall submit it to Mr. Holton for identification. Do you wish to examine this correspondence?

MR. LINDABURY: Yes. Perhaps we had better have them identified first, if he is able to identify them.

MR. DICKINSON: Yes. Mr. Holton, please examine that letter and state whether or not you can identify it.

THE WITNESS: (After examination.) I can identify the signature.

By MR. DICKINSON:

Q. Whose signature is that?

A. It is the signature of Mr. Samuel J. Bailey.

Q. And who is Mr. Bailey?

A. Mr. Bailey acted as secretary for Mr. Jackson.

MR. DICKINSON: I offer this letter in evidence.

MR. LINDABURY: Then we want to see it.

MR. DICKINSON: You had better examine them all, then, Mr. Lindabury (handing papers to Mr. Lindabury).

MR. LINDABURY: Yes; perhaps that is just as well. These were all in February of that year. Are you offering the whole lot?

MR. DICKINSON: Yes.

MR. LINDABURY: I suppose we could make a general objection?

MR. DICKINSON: Yes.

MR. LINDABURY: I wil make it. We object to all of these letters, the dates of which respectively are—suppose you give them.

MR. SEVERANCE: Why not have them identified with exhibit numbers and then object to them by numbers.

MR. LINDABURY: Yes.

By MR. DICKINSON:

Q. Did I hand you this letter of September 20th? Is that the letter I handed you?

A. Yes, sir.

Q. This letter is addressed to Mr. George E. Holton.

MR. LINDABURY: Just one moment.

MR. SEVERANCE: Why not have it identified with an exhibit number so we can object to it.

MR. LINDABURY: You will have to have it marked, you know, before you read it.

MR. DICKINSON: Very well, it may be numbered.

(The paper so identified was thereupon offered in evidence and marked Government's Exhibit 3, May 6, 1912.)

MR. LINDABURY: We object to this letter as irrelevant and as to the Steel & Wire Company mere hearsay, not being a letter written either by or to the Steel & Wire Company or any of its officials.

MR. DICKINSON: We claim it is one of the co-conspirators, and any evidence of any transaction in carrying out the conspiracy is competent against all of the conspirators.

MR. DICKINSON: (Reading):

"September 20, 1907.

"MR. GEORGE E. HOLTON,
"BRYDEN HORSE SHOE COMPANY,
"Catasauqua, Pa.

"DEAR SIR:

"I have yours of the 19th in reference to consolidation of Toe Calks and Horse Shoes for the purpose of allowing the car load rate on shoes.

"I have within the last day or two taken up this same matter with Mr. Merriman of the American Steel & Wire Company on errors reported by the Auditor on his last investigation. I assure you that I will do all I can to see that the American Steel & Wire Company as well as others observe the rule in this respect.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor,
"Per SAM'L J. BAILEY."

MR. SEVERANCE: What is the date of that?

MR. COLTON: September 20th, 1907.

By Mr. Dickinson:

Q. This letter, as I understand it, comes from your horseshoe file of the Bryden Horseshoe Company, does it?

A. I judge so, yes; I don't recall the occasion.

Q. And it is a letter written in the course of correspondence between your company and Mr. Jackson, Supervisor?

A. Yes, sir.

Mr. Dickinson: Now mark this.

(Letter of December 17, 1904, addressed to George E. Holton, Esq., was thereupon offered in evidence and marked "Government's Exhibit 4, May 6, 1912.)

By Mr. Dickinson:

Q. Do you recognize this letter?

A. I recognize the signature.

Mr. Lindabury: Whose is it?

The Witness: E. E. Jackson's.

By Mr. Dickinson:

Q. That is signed by Mr. Jackson as supervisor?

A. Yes, sir. Mr. Jackson as supervisor.

Mr. Lindabury: To this we make the same objection as to the last letter.

Mr. Dickinson: You entered a general objection, I believe, did you not?

Mr. Lindabury: No; that was only to the one. I make the same objection as to the last letter.

Mr. Dickinson: (Reading):

"December 17th, 1904

"George E. Holton, Esq.,
"Bryden Horse Shoe Company,
"Catasauqua, Pa.

"Dear Sir:

"I am this morning in receipt of your esteemed favor of the 15th inst., and note its contents.

"I certainly think we ought to do everything we possibly can to get the Standard people into the Association. With that end in view Mr. Bailey and I had a long interview with Mr. Roswell Boutwell a few days ago and we expect to have another interview with him next week.

"It is going to be pretty hard for us to reach them, inasmuch as they are thoroughly satisfied with their present position and feel if they come into the Association they will lose a large amount of business. We, however, will do the best we can in the attempt to hammer out something satisfactory.

"I certainly think the Standard people are gaining ground not only in the East but in the West.

"As to the other two propositions, I don't think it is wise for us to say anything to McElroy at the present time. We had one of our traveling men drop off at Erie a few days ago without saying anything to any one and see their plant. He reports they have done almost nothing, the foundations only having been put in. The side walls are not even up, so I don't think they are going to be in a position to do any business during this coming year.

"As to the Chicago proposition, it is impossible to do much on this, inasmuch as your informant does not give you the names of the promoters. Therefore I do not see how anything can be done on the subject at the present time. I presume it is a revival of the old Keyser matter and his talk as to going into business, &c.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor."

Q. Who were the Standard people?

A. The Standard Horse Shoe Company of Wareham, Mass.

Q. Were they competitors of the different members of this Association?

A. They were.

Q. What is that reference there to the objects of that. What does he mean about the Standard people?

MR. LINDABURY: How can this witness know that?

MR. DICKINSON: We will see how if you will let him answer.

Q. Do you know the object of that reference?

A. We would have liked to see them members of the Association.

Q. And what he referred to was the desire and purpose to bring them in if they could.

A. Yes.

Q. Who is McElroy?

A. Mr. McElroy—what do you mean?

Q. He says, "As to the other two propositions, I do not think it is wise for us to say anything to McElroy at the present time." Who was McElroy

A. Mr. McElroy was starting a horse shoe plant at Erie, Pennsylvania.

Q. And that would have been a competitive plant, would it?

A. Not only would, but is.

MR. LINDABURY: How does he know?

THE WITNESS: Because it is built and in operation.

MR. DICKINSON: I suppose if you are building a manufacturing plant to manufacture a thing that some others are making anybody could infer they would be competitors.

MR. LINDABURY: Yes; but still this witness would know nothing more about it than the rest of us.

By MR. DICKINSON:

Q. Who is Mr. McElroy?

A. Mr. McElroy is President of a horseshoe company.

Q. And what was that horseshoe company doing at the time this letter was written?

A. They were incorporated.

Q. Were they not preparing to build a horseshoe plant for the manufacture of horseshoes?

A. They did build one.

Q. About the time, or shortly after this letter was written?

A. I don't know the date of this.

Q. This letter was written December 17th, 1904.

MR. LINDABURY: They only had the foundation laid.

MR. DICKINSON: You mean the foundation of the building or the foundation of the question?

MR. LINDABURY: The foundation of the building.

MR. DICKINSON: Well we will get to that.

Q. You say McElroy was the head of a company in Pittsburg?

A. No, sir; in Erie.

Q. In Erie, Pennsylvania, and that they did build a horseshoe mill. Did they manufacture horseshoes?

A. They did, and are now manufacturing.

Q. They are manufacturing them now?

A. Yes.

Q. What did you understand this reference to mean, then, Mr. Holton, about the McElroy people?

A. The same thing applies as in the case of the Standard; we were anxious to have them in the association also.

Q. And they would have been competitors if they had built that mill and operated it, would they?

A. Yes, sir.

Q. Did they build it?

A. They did build it.

Q. And did become competitors?

A. They are competitors.

Q. I ask you whether you can identify that letter.

A. (After examining letter) Yes, sir.

Q. This is dated December 15, 1904. What do you identify this to be?

A. A copy of the letter I wrote at that time.

Q. A carbon copy?

A. Yes, sir.

Q. Is it identical with the letter you wrote at that time?

A. I would not say that; the substance agrees. I have no doubt it is a copy of my letter.

Q. What I mean to ask is whether it is a carbon copy, a replica of the letter that went forth? Were they printed at the same time on the typewriter?

A. Unquestionably.

MR. DICKINSON: Then let this be numbered.

MR. LINDABURY: I would like to ask a question about that.

By Mr. Lindabury:

Q. What makes you say this is a copy of the letter you wrote? How do you know whether it is or not?

A. I recall the subject-matter, and I judge it is a copy of my communication.

Q. You recall that you wrote a letter on this general subject?

A. On the general subject.

Q. Whether this is a carbon copy of the one you wrote, or a carbon copy of something else you do not know?

A. No.

Mr. Colton: It came from his files. Is not that so?

The Witness: I have no doubt it is a correct copy.

Mr. Lindabury: If it came from your files; yes.

I object to this on the same grounds upon which I objected to the other letters.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit 5, May 6, 1912.")

By Mr. Dickinson:

Q. Here is a letter of April 9, 1907, it is signed Samuel J. Bailey. I will ask you if you identify that as having been written to your company and sent to your company by Mr. Bailey.

A. (After examining letter.) The signature is Mr. Bailey's, to the best of my knowledge.

Q. And the letter is addressed to your company?

A. Yes.

Q. And that came from the files of your company, did it not?

A. It has our stamp on it; there is no doubt about it.

Q. There is no doubt about that being a fact?

A. No.

Mr. Dickinson: Will you have that numbered, and then I will read that?

Mr. Lindabury: I object to that on the grounds stated in my objection to the previous letters.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit 6, May 6, 1912.")

MR. DICKINSON (Reading): "New York, April 9, 1907."
"MR. GEORGE E. HOLTON, President,
Bryden Horse Shoe Company,
Catasauqua, Pa.

"DEAR SIR:

IN RE DIAMOND STATE STEEL COMPANY.

"I have yours of the 8th in reference to the continuance of payment of $750.00 per month to the Diamond State Steel Company.

"I think you will recall that it was the consensus of opinion that it would be wise for the Association to continue this payment to the Diamond State Steel Company in order that we might have some little hold upon them. While of course I admit that the statement of their starting up before very long is a good deal like the old cry of 'wolf,' yet at the same time there is a possibility of their resuming and in that case the Association, I think, would benefit by having continued their relations with the Diamond State Steel Company, rather than by breaking them off entirely.

"I think it is good policy for these payments to be continued, but if at the next meeting you think it advisable to bring up the matter, I will be perfectly willing to have you do so.

"The amount is not excessive, and as I say, it may help us in the future in making some arangement with Mr. Wallace under improved conditions.

"As far as the sale of Shoes was concerned this was naturally forced on Mr. Wallace by order of the Court, and this contingency was mentioned at the time we made the arrangement. Had it not been for this, Mr. Wallace would have been willing to hold the shoes under his arrangement with the Association.

"I will make a note about the matter in my records and will speak to you about it at the next meeting.

"Yours very truly,
(Signed) "SAM. J. BAILEY,
"Secretary."

Q. This letter relates to paying the Diamond State Steel Company $750 a month. What was that paid for?

A. They were not in operation, and they had some shoes evidently to dispose of there, and we paid them in the hope that when they did resume operations they would come into our Association. They were in the receiver's hands.

Q. You got nothing for that money except that it might operate indirectly in the way you have said?

A. Yes.

Q. Were they out of business then or operating?

A. What was the date of that?

Q. It was April 9, 1907.

A. To the best of my knowledge they were out of business then; that is, in the receiver's hands, and not operating.

Q. I will ask you whether or not that money was paid as a consideration for them to stay out of operation while it was being paid?

A. No, sir.

Q. But you say you did pay them the money with the expectation that it would so operate upon them that it would bring them into your Association when they could get out of the hands of the receiver, and in that way become free agents?

A. Yes, sir.

Q. Here is a letter dated June 28, 1907. I want to identify that, and another letter in reply of June 29, 1907. The first is addressed to the Bryden Horse Shoe Company and the second is addressed to Mr. Samuel J. Bailey. Please state whether or not you identify those in the same way as you have the others.

A. (After examining letters) I identify those.

Q. You identify these?

A. Yes.

MR. DICKINSON: Mark those.

MR. LINDABURY: I wish to note the same objection to those that I have noted as to the others.

(The papers so identified were thereupon offered in evidence and marked "Government's Exhibit No. 7, May 6, 1912.")

By MR. DICKINSON:

Q. Here is a letter dated February 20, 1907, signed by Mr. Bailey, and a reply to that dated February 21, addressed to Mr. Bailey purporting to come from your company. Please state whether or not you identify that in the same way that you have the others.

A. (After examining letters) I identify those.

MR. DICKINSON: Let them be marked.

MR. LINDABURY: I enter the same objection that I have made to the previous letters.

(The papers so identified were thereupon offered in evidence and marked "Government's Exhibit No. 8, May 6, 1912.")

MR. DICKINSON: These two letters I have identified (reading):

NOBLE, JACKSON & HUBBARD,
Counsellors at Law
52 William Street

NEW YORK, Feb. 20, 1907.

"MR. GEORGE E. HOLTON,
Bryden Horse Shoe Company,
Catasauqua, Pa.

"DEAR SIR:

"I think the other day when you were in here you referred to certain prices for Honolulu made by the Export Department of U. S. Steel Corporation.

"I immediately took up the matter with Mr. Taylor, but he has been confined to his house for some little time, and only recently got around to the office again.

"He writes me that there seems to have been some mistake in Mr. Farrell's office regarding prices to Honolulu, and that this probably accounts for the quotations which we heard of. However, Mr. Taylor says the matter is understood now and that there will be no further trouble.

"Yours very truly,
"E. E. JACKSON, JR.,
"Supervisor."

"Per Sam. J. Bailey."

"BRYDEN HORSE SHOE COMPANY,

Manufacturers of

Forged and Rolled Horse and Mule Shoes, Steel and Aluminum Racing Plates.

"Catasauqua, Pa., Feb. 21, 1907.

"MR. SAMUEL J. BAILEY, Sec.,
Noble, Jackson & Hubbard,
New York City.

"DEAR SIR:

"Thank you for yours of the 20th. . .

"The very convenient mistakes and lack of understanding that the Steel & Wire Company are constantly advancing as excuses for their methods of obtaining business, is once more demonstrated by yours of the 20th and it convinces me that it is not well to too clearly understand our Association's rulings and hereafter I am not going to be too particular about them myself.

"There is no earthly reason why the Steel & Wire should have made any mistakes on this Honolulu proposition, for at the time Mr. Carpenter wanted the Hawaiian Islands made export, Mr. Taylor was the one to most strenuously oppose it. They have been taking business for Honolulu at their own figures and they certainly should be made to account for the shipments, to the Association, as that is domestic trade, and unless we are satisfied that they have done so or are doing so, we shall see to it that we get our share of that business somehow.

"Yours truly,
"b Pres."

MR. SEVERANCE: Is it cause for complaint on your part that the Steel & Wire Company sold at their own prices?

MR. DICKINSON: I cannot stop to explain every suggestion that comes into the mind of counsel.

By MR. DICKINSON:

Q. That refers to Honolulu. Under your agreement, Mr. Holton, as you understood, was Honolulu domestic or foreign territory?

A. Domestic.

Q. Were the prices to domestic territory fixed by the Association?

A. Yes, sir.

Q. Those as to foreign territory were not fixed by the Association?

A. No, sir.

Q. That was open, as I understand, to competition?

A. Yes, sir; that was open to competition.

Q. But domestic territory was not?

A. That is right.

Q. How was it as to Panama?

A. Panama was considered export.

Q. How about the Philippines?

A. That was export. That is my recollection.

Q. But Honolulu, under your understanding, was made domestic territory; and, notwithstanding that, what is your complaint here as set forth in that letter? What was the gist of it?

A. They were not adhering to domestic prices in Hawaii.

Q. That is to say, they had entered into an agreement with the other concerns, and the complaint was that, although they made that domestic territory under the agreement, they were secretly violating it?

MR. LINDABURY: I object. That is telling the witness something that I understand is not the fact.

MR. DICKINSON: Then I will withdraw that.

MR. LINDABURY: Yes.

By MR. DICKINSON:

Q. Now please explain, in your own way, exactly what you meant by that letter.

A. I cannot explain it any better than the letter itself explains it.

Q. You know more about it than we do, Mr. Holton, and the conditions may appear plain to your mind and not to us. What was the object of writing that letter, and what was the ground of complaint if any? (Handing letter to the witness.)

A. Honolulu took domestic prices. The price of shoes in the United States was supposed to be maintained in Honolulu. It was not maintained by the American Steel & Wire Company, and, in consequence of that, I raised an objection.

Q. You claimed that they were not living up to the agreement that you were living up to?

A. That they were not living up to the agreement that I understood.

Q. In other words, that they not only entered into the pool——

MR. LINDABURY: Is not that an argument, Judge?

MR. DICKINSON: You have not heard what I am going to say. You know what I am going to say before I have the opportunity to say it.

MR. LINDABURY: In other words, it is summing up the witness's evidence. I do not think that is ever proper, if you will pardon me for saying so, Judge.

MR. DICKINSON: I am trying to put it in a proper way.

MR. LINDABURY: In other words, when you state it that way, you are testifying, and not the witness.

By MR. DICKINSON:

Q. As I understand it, Mr. Holton, they entered into an agreement to maintain prices in domestic territory. Is that correct?

A. Yes, sir.

Q. Honolulu, under your agreement, fell within the domestic territory?

A. Yes, sir.

Q. But, notwithstanding that, you complain here that they were, in violation of this, selling to Honolulu at foreign prices, or not maintaining your domestic prices. Is that what this letter means?

A. Yes, sir.

MR. LINDABURY: I want it understood that my objection is entered to each one of these papers, of course.

MR. DICKINSON: Yes.

By MR. DICKINSON:

Q. I show you a letter dated June 14, 1904, addressed to the Bryden Horse Shoe Company and purporting to be signed by Samuel J. Bailey. Please state whether or not you identify this letter in the same way that you have identified the others. (Handing letter to the witness.)

A. Yes.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit 9, May 6, 1912.")

MR. LINDABURY: That is objected to on the same ground as the others.

MR. DICKINSON: (Reading):

"NEW YORK, June 14, 1904.

"BRYDEN HORSE SHOE COMPANY,
"Catasauqua, Pa.

"GENTLEMEN:

"MANILA SHIPMENTS.

"I beg to acknowledge receipt of Mr. Williams' favor of the 13th, and in reply would say that I have not heard anything of the specifications for Government Shoes to Manila. No doubt if there is any inquiry for a large quantity, they are for the Government, and in that case the price must be made by this office. We will doubtless have definite advices on this matter from some of the other Manufacturers, should the Government require the shoes. Of course shipments to Manila outside of Government business are considered export, but inasmuch as very few shoes are sent in there, except for the Government, it practically means that all prices into Manila are for Government shoes and are to be authorized by this office in accordance with the rule. I think the

safest way is for you not to quote until you are certain whether the shoes are for the Government or not.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor,
"Per SAM'L J. BAILEY."

By MR. DICKINSON:

Q. State whether or not it was the fact that, although the Philippines were considered as foreign as to all other trade, they were domestic as to the Government business?

MR. LINDABURY: I object to that. It does not seem by the correspondence to have been classified as either foreign or domestic. Ask him if it was classified one way or the other.

MR. DICKINSON: I am asking you the fact: whether or not, under the rules and operations of this association, although the Philippines were foreign as to other customers, they were domestic as to the orders from the United States Government, in your dealings?

A. The only knowledge I have of that is contained in that letter.

MR. LINDABURY: The witness has said that he did not participate in any Philippine domesticity.

By MR. DICKINSON:

Q. You have no knowledge outside of that letter?

A. No; I have no knowledge outside of that letter.

Q. That letter was sent to you by the supervisor?

A. It was not sent to me. It mentioned Mr. Williams, who was the President of the Company at that time.

Q. I meant, to your company?

A. Yes. That is the only knowledge I have.

Q. Please examine that letter of September 11th, signed by Samuel J. Bailey. (Handing letter to the witness.)

A. I identify the signature, and it has our stamp on it.

MR. LINDABURY: We make the same objection, that it is irrelevant and incompetent. I object to that as a shot in the air.

MR. DICKINSON: I have shot in the air a good many times and hit things that were in the air. I am a pretty good wing shot.

(The paper so identified was thereupon offered in evidence and marked "Government Exhibit No. 10, May 6, 1912," and is as follows):

"NEW YORK, September 11, 1905.
"No. 609.

"HORSE SHOE MANUFACTURERS' ASSOCIATION.

"GENTLEMEN:

"I understand that the Government is asking for bids on shoes to be opened September 19th and September 26th. The bids to be opened on the 19th calls for the following:

60	kegs	No.	1	Front—Light Steel	
75	"	"	1	Hind "	
60	"	"	2	Front "	
50	"	"	3	Front "	
50	"	"	3	Hind "	
100	"	"	3	"	Mule Shoes
100	"	"	4	"	" "

"Bids to be opened September 26th, 125 kegs No. 3 Mule Shoes. Please note that you may bid as follows covering both bids:

"Steel Horse Shoes, 3.41 base, subject to regular advance of 25c. per keg for No. 1.

"On Mule Shoes,
Steel 3.41 Base.
Iron, 3.66 Base.

"This is to cover delivery at Jeffersonville. No allowances are to be made from the prices named above.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor,"
"Per SAM'L J. BAILEY.

"BRYDEN H. S. CO.
"Catasauqua, Pa."

By Mr. Dickinson:

Q. You notice there the No. 609 on the top of that letter. State whether or not that indicates that to be a circular letter sent to all members of the association.

A. It was a circular letter.

Q. A circular letter sent to all members. What number—No. 609?

A. I should say that I judged it was a circular letter. I have no knowledge that others received that letter.

Q. But you have received other letters of that character, numbered in that way, in the regular course of business?

A. Yes.

Q. From the course of business that has been carried on between you and the supervisor in sending circular letters, state whether or not you recognized and treated it as a circular letter?

Mr. Lindabury: Recognized and treated it as a circular letter?

Mr. Dickinson: Yes, sir; that is the question.

The Witness: I certainly treated it as a circular letter, because I paid no attention to it.

Mr. Lindabury: No. 609. That means 609 were authorized to make that bid?

Mr. Dickinson: No. What does that 609 mean?

The Witness: I could not tell you.

Mr. Lindabury: 609 competitors all making the same bid?

Mr. Dickinson: No, it does not mean that. What does that mean?

The Witness: I could not tell what that 609 means. I judge it was a circular letter. I cannot say positively.

By Mr. Dickinson:

Q. Had you received circular letters before?

A. Yes.

Q. Were they numbered in the same way?

A. I cannot tell.

Q. It says, "Horseshoes, 3.41." What does that mean?

A. $3.41.

Q. Then: iron, 3.66. That means what?

A. $3.66 per keg.

MR. LINDABURY: I wondered whether that meant f. o. b. Manila or some other place?

MR. SEVERANCE: What does that mean? F. o. b. Manila?

THE WITNESS: It says, I think, Jeffersonville. That would be Jeffersonville Barracks, outside of Louisville.

By MR. DICKINSON:

Q. I show you a letter dated February 23, 1911, signed by Mr. Bailey and addressed to you. State whether or not you identify that in the way you have the others?

A. (After examination.) I identify that letter.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit No. 11, May 6, 1912.")

Mr. Dickinson read the letter as follows:

"Feb. 23, 1907.

"MR. G. E. HOLTON,
"BRYDEN HORSE SHOE COMPANY,
Catasauqua, Pa.

"Dear Sir:

"Replying to yours of the 21st would say I agree with you that there is no earthly reason why the United States Steel Corporation, export department, should not be thoroughly familiar with the price of Horse shoes to Honolulu. I have no doubt that they were properly advised by Mr. Taylor, but I think the fault is entirely with the export end of the line and that the advices have been overlooked.

"The Auditor pays particular attention to anything for Honolulu direct from the American Steel & Wire Company and these are added in Taylor's returns.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor,"
"Per SAM'L J. BAILEY."

MR. LINDABURY: We make the same objection as to the other letters.

By MR. DICKINSON:

Q. Will you examine this letter of August 25, 1906, and state whether or not you can identify it.

A. (After examination) Yes, I identify that.

Q. This is a letter written by you to Mr. Jackson?

A. I do not recall.

Q. It is a press copy of such a letter, I mean?

A. That letter reads like a letter of mine.

Q. A letter of yours to Mr. Jackson?

A. Yes.

MR. DICKINSON: I offer this.

MR. LINDABURY: I make the same objection as before.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit No. 12, May 6, 1912.")

By MR. DICKINSON:

Q. Here is a paper marked "Rebate accounts," with certain names and figures set out upon it. State whether or not you recognize that as having come from the files of the Bryden Horse Shoe Company?

A. No sir, I cannot identify that. It may have come from them. There is nothing on here that would enable me to identify this at all, except by checking it up with our books.

Q. You mean you cannot identify that particular paper?

A. No; not this particular paper.

Q. I will ask you whether the association had a certain system of rebates?

A. To quantity buyers, based entirely on the quantity purchased in a given time.

Q. Would you know, looking over that list, whether or not they were jobbers?

A. I can tell that, yes, sir. There are a great many. I should say at a glance that they are nearly all jobbers. In fact, all, I should say.

Q. All, you should say?

A. Yes.

Q. Would you say whether or not they were jobbers to whom this association allowed rebates?

A. It was not a question of allowance. It was a question of purchases. If they bought the quantity, it did not matter who they were; they got the price and got the rebate.

Q. That is to say, that if any one bought from members of this association a certain quantity they got a rebate?

A. Yes, sir.

Q. Did it make any difference what member they bought it from, or were all the purchases from all the members added to make up the percentage?

A. They were all added. If they bought the quantity, which at that time was 2,000 kegs in the course of a year, they got the rebate.

Q. They then got the rebate?

A. Yes, sir.

Q. Provided they bought the quantity from a single manufacturer or various manufacturers, members of this Association?

A. And collectively; yes.

Q. But if they bought from outsiders, competitors of theirs, that was not taken into account?

A. No.

Q. This shows "rates." Assuming you do not recognize the paper, what would you understand to be the meaning of the word "rates?" The amount of rebate?

A. Yes.

Q. Is that 30 per cent?

A. 30 cents.

Q. 30 cents on a keg?

A. Yes, sir.

Q. What was the amount they had to buy in order to get those rebates?

A. 2,000 kegs.

Q. So, as I understand you, any person buying 2,000 kegs of nails——

A. Shoes.

Q. I meant shoes,——from the various members of this Association was allowed a rebate of 30 cents on each keg that he purchased?

A. Yes, sir.

MR. LINDABURY: From the members of the Association, collectively.

By MR. DICKINSON:

Q. Singly or collectively?

A. Yes.

Q. State whether or not, Mr. Holton, you identify this letter of February 11, 1907, addressed to Mr. Bailey, purporting to have come from your company.

A. (After examing letter) Yes, sir, I identify that.

MR. DICKINSON: Just file it, then.

MR. LINDABURY: I object to this and make the same objection as before.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit 13, May 6, 1912.")

MR. DICKINSON: You may take the witness.

CROSS-EXAMINATION,

By MR. SEVERANCE:

Q. What did you say was the name of your corporation?

A. The Bryden Horse Shoe Company.

Q. What is your position in the company?

A. President and treasurer. I have been president since 1904.

Q. When did you say this pool was organized?

A. January, 1901; about that time.

Q. That is the only pool that your company belonged to?

A. The only one.

Q. When was it dissolved?

A. In the spring of 1909.

Q. Is it not a fact, Mr. Holton, that that pool was dissolved in the spring of 1909 because of the withdrawal of the American Steel & Wire Company from it?

A. Yes, sir.

Q. Since the spring of 1909, when the pool was so dissolved by the withdrawal of the American Steel & Wire Company there has been no pool has there?

A. No, sir.

Q. Each former member of the pool or association has been perfectly free to trade as he liked?

A. Absolutely.

Q. Without any restraint or agreement or understanding with anybody else?

A. Yes, sir.

Q. When was it organized?

A. In 1901, in January.

Q. January?

A. Yes, sir, to the best of my recollection.

Q. Then it was organized previous to the organization of the United States Steel Corporation, which was in the year 1901?

A. I do not know.

Q. In April?

A. Under those circumstances——

MR. DICKINSON: It is admitted.

By MR. SEVERANCE:

Q. So this pool was one that was entered into by the American Steel & Wire Company which is now a constituent corporation of the Steel Corporation, previous to the organization of the Corporation?

A. Yes, sir.

Q. Who was the gentleman that represented the Steel & Wire Company in the pool meetings? Was it Mr. Baackes?

A. You mean in the original meetings?

Q. Ordinarily, when you came together.

A. In the meetings which were held from time to time?

Q. Yes, sir.

A. Mr. Baackes and Mr. Taylor, sometimes.

Q. Is it not a fact that Mr. Baackes stated in those meetings, at different times, at least at one time in your presence, that Judge Gary, the Chairman of the Board of the United States Steel Corporation, had no knowledge of the existence of this pool?

MR. DICKINSON: We object to this as incompetent and irrelevant.

THE WITNESS: He did.

By Mr. Severance:

Q. So far as you know, during the entire existence of that pool did Judge Gary have any knowledge of its existence?

A. I cannot answer, other than Mr. Baackes' statement that he was in the pool without—what should I say?

Q. Without authority?

A. Without authority or knowledge.

Mr. Dickinson: We except to what he says Mr. Baackes said, as being hearsay and irrelevant.

By Mr. Severance:

Q. The fact is further that the withdrawal of the American Steel & Wire Company from this pool followed the discovery by Judge Gary that it was a member of the pool, did it not, immediately?

Mr. Dickinson: We object to that.

By Mr. Severance:

Q. Or don't you know that?

A. I do not know that.

Q. There is an allegation in the complaint here that "On the first day of June, 1908, the American Steel & Wire Company of New Jersey, American Horseshoe Company, a corporation; Bryden Horseshoe Company, a corporation; Old Dominion Iron & Nail Works, a corporation; Phoenix Horseshoe Company of Illinois, a corporation; Rhode Island-Perkins Horseshoe Company, a corporation; being engaged in the business of manufacturing," and so forth "entered into an unlawful combination and conspiracy"—and the subject thereof, this pool—"and in pursuance of said combination after said date, down to about the 29th of June, 1911, continuously carried out said unlawful combination and conspiracy and restrained trade and commerce among the States in said products."

You know nothing of such pool or the conspiracy or combination, do you, sir?

A. There was no such pool after March, 1909.

Q. And there was no new agreement entered into on the first of June, 1908, to which you were a party?

A. No agreement at all.

Q. The only pool there was was the one which you have testified to, beginning in 1901, previous to the organization of the steel corporation, and terminating in March, 1909?

A. Yes, sir.

Q. Outside of the members of this pool that you have described, were there other manufacturers of horseshoes in the United States?

A. Several.

Q. Are you able to testify to the percentage of their output, to the entire output, or do you not know that without looking it up?

A. I could not, with accuracy, because we have never had accurate figures to state.

Q. And were these outside parties selling in competition with the members of the pool during the time of its existence?

A. At all times.

Q. Since then have they been selling in competition with the members of the pool who are also now independent?

A. They have.

Q. You stated in answer to Judge Dickinson that the price agreements fixed were not lived up to. Was that a rather unusual thing, or is it customary to live up to them?

A. It is the only pool I have ever had experience with.

Q. I mean in this pool were they ordinarily lived up to or not?

A. In the main they were fairly lived up to.

Q. But different members broke over. Who was Mr. Jackson, the pool commissioner? What was his profession? He was a lawyer, was he not?

A. I understand he is a lawyer.

Q. A lawyer here in New York City?

A. Yes, sir.

Q. Is it or is it not a fact that Mr. Jackson advised the members of this pool that that scheme of operation therein provided for was lawful?

MR. DICKINSON: One minute. We except to that as incompetent and irrelevant.

By Mr. Severance:

Q. You can answer the question.

A. He certainly stated that in his opinion it was.

Q. Mr. Jackson advised the members of the pool that it was lawful, and, so far as you know, they relied on that advice?

A. We did.

Q. There has been some reference made in these letters to horseshoes sold to the Government. I believe you stated that the prices fixed were not followed in the case of sales to the Government. Did you not so state?

A. I don't recall such statement.

Q. Well, what did you state?

A. I simply said that the Bryden Horseshoe Company, the company I represent, was not governed by this.

Q. That is what I meant.

A. Yes.

Q. You were not governed by these prices?

A. We were not.

Q. Did you make sales to the government during the time this pool was in operation.

A. None that I recall.

Q. The prices to the government, so far as you were concerned, were made independent of the pool?

A. Excuse me, I want to qualify that answer.

Q. Yes.

A. We sold one lot to the Government. I should qualify that in this regard. We did not sell anything to the Government direct except one shipment that I understood went to the Government. We did not sell it to the Government; we sold them to an intermediary in New York.

Q. A jobber?

A. We found that they afterwards went to the Government; to Manila.

Q. You did not know they were going there when they were sold?

A. I did not know they were going there when they were sold.

Q. So you had no direct business with the Government?

A. Not at any time since the formation of the pool.

Q. As to this matter of rebates, to which your attention was called, that simply meant that persons buying in large quantities were given a lower price than persons buying in in small quantities, did it not?

A. Yes, sir.

Q. Is not that quite a usual thing in merchandising, to sell wholesale lower than retail

A. I should say it was universal.

Q. So there is nothing singular about that transaction?

A. Not at all.

MR. SEVERANCE: That is all.

RE-DIRECT EXAMINATION,

By MR. DICKINSON:

Q. Mr. Holton, you stated that this Association was dissolved when the American Steel & Wire Company withdrew. State whether or not the members of this Association met together after that from time to time.

A. We did from time to time.

Q. You did notwithstanding you say it was abandoned?

A. No pool; yes, sir.

Q. No pool?

A. No pool.

Q. But the Association met?

A. Not the Association; there was no association.

Q. I understand, but the members who had constituted the Association did meet; and I will ask you if the representatives of the American Steel & Wire Company did not join you in those meetings from time to time?

A. Yes, sir.

Q. You say you did not enter into an agreement in 1908; but as a matter of fact you were under an agreement in 1908, were you not, and did operate under it until a period down in 1909?

A. Yes, sir. 1908 was during the existence of the regular pool.

Q. The pool was in operation?

A. Yes, sir.

Q. And while it may not be correct that it was entered into at that time, it was in existence and being operated at that time?

A. Yes, sir.

Q. You say that Mr. Jackson advised that this was legal. Did Mr. Jackson tell you that personally?

A. He announced it in meetings.

Q. Were you at the meetings?

A. Originally. There was a change of attitude, I will agree.

Q. I understand, but I ask were you at a meeting when he made this announcement? Did you hear him yourself make that announcement?

A. Yes.

Q. Now you say there was a change of attitude. When was that change of attitude

A. To the best of my recollection not until 1909.

Q. Was that before or after you were indicted?

A. Before.

Q. What was the change of attitude?

A. We began to think that perhaps we were on dangerous ground.

Q. But you still continued the agreement after that, didn't you?

A. Only a month or two.

Q. But you did not discontinue it immediately after he changed his mind and notified you?

A. He didn't state positively it was illegal. He said is was a question.

Q. You did not stand on his advice when you were indicted and say it was lawful.

A. We did not at all.

Q. You submitted the case and paid your fine, didn't you?

A. Yes, sir.

Q. So you did not stand on his advice that it was a lawful combination?

A. I did as the others did.

Q. You did as the others did?

A. I followed the leader.

Q. Then, when you were attacked by the Government on it you threw up your hands, didn't you?

A. We did.

Q. You didn't pretend that it was legal.

In regard to these Government bids, did you ever actually bid on a Government contract during that period?

A. Not to the best of my knowledge. I was not president all the time of the organization of the pool, and I could not say whether prior to 1904 our company did or not; I don't think so.

Q. The best of your knowledge is you never bid during that time on Government contracts?

A. Yes, sir.

Q. And you did have knowledge during that time that Mr. Jackson was determining who the bidders should be?

MR. LINDABURY: I object. He has not said that; he said Mr. Jackson was sending out these letters, but not that he determined. He does not know and has not said.

By MR. DICKINSON:

Q. I ask you the question; did not Mr. Jackson determine? Did you not say when I read you from the minutes, that the Association agreed that when the Government bids were in question none of them should bid until notified by Mr. Jackson who the bidders should be?

MR. LINDABURY: Do not answer that question.

MR. DICKINSON: He has already answered, I think.

MR. LINDABURY: I know you mean to be fair.

MR. DICKINSON: Yes, I think so.

MR. LINDABURY: The witness has said that Mr. Jackson sent out those leters not only to him but to others.

MR. DICKINSON: It was not a letter.

MR. LINDABURY: Authorizing them to bid.

MR. DICKINSON: Excuse me, Mr. Lindabury; I read to him from the minutes of the meeting and asked him whether or not it had not been determined by the Association that as to Government bids the members should not bid, and that Mr. Jackson should designate the bidder.

By Mr. Dickinson:

Q. I ask you, whether or not, you understood me to ask you that?

A. I understood you to ask that question. There was a rule that governed it; whether it was enforced or lived up to I cannot say.

Mr. Lindabury: That is what I mean.

By Mr. Dickinson:

Q. The association agreed to that, did they not?

A. They did.

Q. And after that you did not make any bids on the Government contracts?

A. Not to the best of my knowledge.

Q. To the best of your knowledge?

A. I can verify that knowledge by a search.

Mr. Lindabury: The witness said he did not, and I understood him to say he did not know that anybody did.

Mr. Dickinson: No; he said he did not.

Mr. Lindabury: You were trying to get him to say—

Mr. Dickinson: No; I was not trying to get him to say anything.

Mr. Lindabury: I thought I recognized something like that.

Mr. Dickinson: I am not trying to get him to say anything. I was trying to repeat what I understood him to say.

By Mr. Dickinson:

Q. You were asked in regard to rebates, and whether rebates were not universal, and I understood you to answer yes to that question.

A. Excuse me; may I interpolate there?

Q. Yes.

A. I said it is the trade custom to sell large quantities for less than small quantities; not necessarily a rebate.

Q. Do you not mean by that that it was the custom of the trade for a man to get a less price on wholesale than on retail?

A. Yes, sir.

Q. But was it ever the custom in the trade that in estimating the quantity of purchase you would take into account not only what they got from you, but from your competitors, and count that in as part of the wholesale transaction? Do you catch the question?

A. I catch the question. Not in our line of business it was not, no. It was not customary.

Q. Did you ever understand it was general in any line of business?

A. Yes.

Q. What line of business?

A. Not general, but I know that other manufacturers——

Q. I ask you if it was general.

A. Not general, but it was not unusual; I should say it was not exceptional.

Q. That is to say, in your operation, I understand in estimating whether or not a man would get rebates, you took into account all his purchases from all the members?

A. Yes.

Q. Do you mean to say it was the general custom, if a man was independent in business, but not in the Association, that a man would take into account sales made by his competitors?

A. No; he would make the price at the outset.

Q. He would make the price as to what he had sold, would he not?

A. Probably.

Q. And he would not count into what he sold what other people sold who were his competitors, would he? You did not mean to say that was a universal custom?

A. No, sir.

MR. DICKINSON: That is all.

RECROSS EXAMINATION,

By MR. SEVERANCE:

Q. Judge Dickinson has seen fit to call attention to the fact that you were indicted, for some reason, I do not know why. When were you indicted?

A. I think it was in either June or July, 1911.

Q. You were indicted over two years after this method of doing business had been abandoned?

A. Considerably over; two years and three months, I think.

Q. You were asked by Judge Dickinson if after the dissolution of this pool the different gentlemen interested in it did not meet at times. I will read you an allegation in the petition in this case, which is in subdivision 13 under the head of "Combinations other than written pools or agreements."

MR. DICKINSON: From what page are you reading?

MR. SEVERANCE: Page 64.

Q. Here is the language of the learned counsel himself in stating his view of the law:

"It is not here alleged that merely assembling and mutually exchanging information and declaration of purpose amounts to an agreement or combination in restraint of trade."

Did you ever, at any of these subsequent meetings, do anything other or more than that?

A. No.

MR. SEVERANCE: That is all.

By MR. DICKINSON:

Q. State whether or not at these meetings, when you left you understood the price at which each member was going to sell?

A. We understood what price each man was naming that day, and likely to name the next day; but we did not know anything further.

Q. And when you left, did you sell at the price at which it was understood at that meeting all of you were going to try to sell?

A. We never did agree on a price.

Q. I am not asking you if you ever agreed on a price, but I am asking you if you announced the price at which you were going to sell?

A. I announced the price at which I was going to sell my goods.

Q. Were those prices uniform?
A. No, they were not uniform.
Q. Did they vary?
A. Yes, sir.
Q. On the same article?
A. Yes, sir.
Q. For the same territory?
A. Yes, sir.
Q. How much did they vary?
A. As much as 20 cents a hundred pounds.
Q. Where did those meetings take place?
A. At different places.
Q. Will you state some of them now?
A. I think most of our meetings were at the Railroad Club.
Q. In what room of the Railroad Club?

MR. LINDABURY: In New York?

THE WITNESS: The Railroad Club in New York. In various rooms.

By MR. DICKINSON:

Q. In various rooms of the Railroad Club. Now state who were at those meetings.
A. The individuals, or companies represented?
Q. Yes; individuals.
A. There was no regular attendance; I could tell who were at different meetings from time to time.
Q. Tell us as to the different meetings.
A. You had a list of the companies there. The safest way would be to take that, and I could tell you the individuals.
Q. You mean the companies that were in this agreement?
A. Yes.
Q. Here is the American Horseshoe Company.
A. P. S. Byer.
Q. American Steel & Wire Company?
A. At various times, Mr. Baackes and Mr. Taylor; Mr. Merriman was also occasionally there.
Q. Bryden Horseshoe Company?
A. George E. Holton.
Q. Eagle Horseshoe Company?
A. Mr. McElroy—no, excuse me; the Eagle Horseshoe Company is defunct and has been for many years.

Q. Mr. McElroy's name is here.

A. Mr. McElroy is now with the United States Horseshoe Company. The Eagle is out of business.

Q. But at the time of these meetings?

A. No, sir; you say at a time subsequent to the pool. They went out of business before the pool was disintegrated.

Q. The Side Weight Horseshoe Company?

A. They were never represented.

Q. The Old Dominion?

A. Mr. Wheelwright.

Q. Phoenix Horseshoe Company?

A. Mr. Keyser, Mr. Keith.

Q. How often did you meet?

A. At no stated times; probably about once a month; there was no regularity.

Q. How long did you keep up these meetings?

A. They were luncheons.

Q. They were luncheon meetings, were they?

A. They were luncheon meetings, and we discussed business.

Q. You discussed business at those meetings?

A. Yes.

Q. You say at none of those meetings the prices named by those who attended were uniform?

A. They were never uniform; that is, everybody present never agreed to one price.

Q. I am not talking about an agreement. I understand you to say there was no agreement.

A. There was no agreement, and they never even announced the same prices, everybody.

Q. At none of those meetings?

A. At none of those meetings.

Q. You say there was no meeting at which all of them announced the price?

A. No.

Q. Were there any meetings at which a number of them announced the same price?

A. Yes.

Q. Can you state what number there was that announced the same price?

MR. LINDABURY: What percentage?

MR. DICKINSON: No.

MR. LINDABURY: What number of individuals?

MR. DICKINSON: Yes, sir.

THE WITNESS: The Phoenix Horse Shoe Company and the American Horse Shoe Company, the Bryden Horse Shoe Company, the Rhode Island-Perkins Horse Shoe Company and the United States Horse Shoe Company's goods have always brought out the same price in the market, and the American Steel & Wire.

By MR. DICKINSON:

Q. Did those, then, announce at these meetings the same price?

A. They announced what their prices were.

Q. I understand, and they would be the same price?

A. Yes, sir.

Q. Did you sell at those prices?

A. Yes.

Q. And you attended those meetings monthly?

A. No.

Q. About monthly?

A. About monthly.

Q. And was that continued, this announcing of substantially the same prices by the companies which you have named at these meetings?

A. Yes. We never had any occasion to change our price.

Q. How long did those luncheon meetings continue?

A. Until the time we were indicted.

Q. Until the time you were indicted?

A. Or until the time the inquiry was going on, and we thought it advisable——

Q. Then you gave up the lunch meetings?

A. Yes.

MR. DICKINSON: That is all.

MR. SEVERANCE: We have no further questions.

(Whereupon, at 4:20 o'clock p. m., the hearing was adjourned until Tuesday, May 7, 1912, at 10:15 o'clock a. m.)

SECOND DAY.

ROOM 210, CUSTOM HOUSE,
NEW YORK CITY,
Tuesday, May 7, 1912.

The hearing was resumed at 10:20 o'clock a. m., before Special Examiner HENRY P. BROWN.

Appearances the same as heretofore noted.

WALLACE BUELL,

recalled as a witness in behalf of the United States, having been previously sworn, testified as follows:

By MR. DICKINSON:

Q. When you were excused on yesterday, Mr. Buell, you were handed a printed paper which was filed with the Committee on Stock Lists of the New York Stock Exchange by the American Steel & Wire Company of New Jersey, and you were requested to look over that list and state whether or not you knew, during the period that your testimony as to competition yesterday covered—which, I believe, was from 1890 to 1896?

A. From 1890 to 1896, yes, sir.

Q. (Continuing) Whether or not any of these companies set out in this list as having been incorporated into the American Steel & Wire Company August 12, 1899, were, during the period of which you speak, competitors with each other. Have you examined this list?

A. I have examined it, yes.

Q. Are you prepared to answer the question: first, whether or not you have personal knowledge as to whether any of these concerns here set out were competitors in interstate commerce during the period named?

A. I am.

Q. Will you state which of them were?

A. I have made a memorandum, to strengthen my memory on that, and I will read it from the memorandum.

MR. LINDABURY: I object to the witness using a memorandum made over night. He may refresh his recollection.

THE WITNESS: It was merely made for my assistance as a matter of convenience. That is all. I will not read it, if it is objected to.

MR. LINDABURY: A memory that will not last over night will not last ten years, you know.

THE WITNESS: I will use the names given here, on this list, then:

American Mill; was then known as the American Wire Company.

By MR. DICKINSON:

Q. Where are they located?

A. Cleveland.

Q. What did they make?

A. A variety of wire.

Q. Do you know whether or not that concern was a competitor with any other concerns which were, during the period of time named, engaged in the sale of wire in interstate commerce?

A. They were competitors of ours and competitors in the open market.

Q. They were competitors of yours? You mean of the Washburn & Moen Manufacturing Company?

A. Yes.

Q. Go on and name any others that were competitors with the Washburn & Moen Company and with each other.

A. The one here headed "Newburgh Works."

Q. Where was that located?

A. It was called, then, the Cleveland Rolling Mill Company.

Q. What did they make?

A. They made a large variety of wire from cold rolled steel.

Q. Go on.

A. The Braddock Works, so called; the Pittsburg Wire Company.

Q. What did they make?

A. They also made a variety of wire.

Q. The Oliver Wire Company, headed here "South Side Works."

Another one, the Allentown Works—so headed here.

Q. Where was that located?

A. That was located at Allentown, Pennsylvania.

MR. LINDABURY: The Allentown works of what company?

THE WITNESS: It says here: "Formerly American Steel & Wire Company"; owned by the Consolidated Steel & Wire Company.

The Newburgh Works, it is called here. I knew it as the Kilmer Manufacturing Company.

Q. That was the same concern, was it?

A. That was the same concern.

Q. It was simply changed in name?

A. It was changed over, yes, sir.

The Central Works, Worcester, Massachusetts. That was the Worcester Wire Company, then.

Those are all the concerns with whom I personally competed when I went out to do any personal business.

Q. And your answer as to that is based upon your personal knowledge in meeting those people in sales and competition?

A. Personal knowledge, yes.

Q. Look over the list and say whether there are others there that you knew were competitors, at that time, in the wire business. First give the names, and then state the ground of your opinion.

A. The first name here—I will just use the names on the edge——

Q. Do not repeat the others, however.

A. The De Kalb Works.

Q. Where was that located?

A. At De Kalb, Illinois.

Q. What did they make?

A. They were called the I. L. Ellwood Manufacturing Company. They made barbed wire.

The Joliet works, called the Scott Mill. That was one of the mills of the Consolidated Steel & Wire Company.

Another was the Rockdale Mill, Consolidated Steel & Wire Company.

I am taking them in succession.

The Bluff Street Mill, Consolidated Steel & Wire Company.

Q. Where was that located?

A. It was then known as the Ashley Wire Company, Joliet, Illinois. I knew it under the name of Ashley.

The Laidlaw Bale Tie Company. It is headed here "Meeker Avenue Mill." They made bale ties.

Garden City works, then called the Garden City Wire & Spring Company.

St. Louis works, then called the Consolidated Steel & Wire Company, and located at St. Louis.

The H. P. Nail Company, called here the H. P. Mill, at Cleveland, Ohio.

MR. LINDABURY: Which of them did that belong to?

THE WITNESS: I knew it as the H. P. Nail Company.

MR. LINDABURY: But is it down there as owned by the Consolidated?

THE WITNESS: It says here: "Formerly of the American Steel & Wire Company."

By MR. DICKINSON:

Q. That is of Illinois?

A. Of Illinois, yes.

The Findlay works; I knew it as the Salem Wire Nail Company.

Q. Was that the concern that Mr. Baackes was with?

A. I do not know that.

Another works, called the Salem Works, of the same company; the Salem Wire Nail Company.

Q. Where was that?

A. That was at Salem, Ohio.

The Beaver Falls works, Beaver Falls, Pennsylvania, Consolidated Steel & Wire Company.

The Rankin works, Rankin, Pennsylvania, Consolidated Steel & Wire Company.

That is as far as my memory serves me.

Q. As to those you state, as I understand, that they were competitors?

MR. LINDABURY: He has not——

MR. DICKINSON: I asked him, Mr. Lindabury, to state, in addition to those which he stated from personal knowledge, those which he knew to be. Now I am asking the basis of that opinion.

Upon what do you base your statement that those were competitors during that period in the interstate commerce of this country?

A. From my recollection of the reports from salesmen and the sales department, particularly in the West.

Q. You do not know of the names of these concerns generally?

A. I know of them in these reports. Yes, sir; I knew of their existence.

Q. You knew of their existence?

A. Yes, sir.

Q. In the course of your business?

A. In the course of my business, yes.

Q. Was it or not a part of your business to acquaint yourself with what other concerns were in the business?

MR. LINDABURY: I object to that as leading. It is rather leading, Judge.

MR. DICKINSON: Shall I say, "Was it a part of your business"?

MR. LINDABURY: That, at least, would not tell the answer he was expected to give.

MR. DICKINSON: I asked him: "Was it or not?"

By MR. DICKINSON:

Q. Explain in your own way, Mr. Buell, just the basis of your knowledge on that subject.

A. My knowledge of the operation of each of these separate companies?

Q. I do not mean the actual manufacturing of those companies.

A. Those companies were selling goods in the current market, in competition with us, and the sales were in competition particularly with our Chicago office. As those re-

ports were made to us from time to time, those names appeared, but I did not attempt to keep track of each one separately. It was exactly the same as when I was buying steel of the Carnegie Steel Company, although I knew that they had a Duquesne Works, and also a Homestead Works, I did not take particular pains to see always from which one they made delivery. So, in the case of the Consolidated Wire Company, I knew that they competed with us as the Consolidated Wire Company, and I did not know as to these separate concerns.

Q. Was it a matter of general knowledge in your business at that time that these people were competing?

A. It was.

MR. LINDABURY: I object to that as leading.

MR. DICKINSON: You may take the witness.

CROSS EXAMINATION,

By MR. LINDABURY:

Q. How have you informed yourself over night with respect to these questions you did not recall yesterday?

A. I regret I did not have as much to refer to as I hoped to, because my papers have been largely lost and destroyed, but from the memorandum I had for that period——

Q. Where is that memorandum——

A. It is a personal memorandum on all sorts of subjects.

Q. Where is that memorandum?

A. At home.

Q. Why did you not bring it with you?

A. I did not know it was of any particular importance. I brought some with me.

Q. Did you bring these reports from your agents?

A. No; I did not have them.

Q. Did you find reports from your agents stating who was in competition with you?

A. I found only memoranda in memorandum books, in my own writing.

Q. And you did not bring those books?

A. I brought some of them.

Q. What have you? Let us see.

A. It is not anything I can show; it is simply private memoranda.

Q. If they informed you, they might inform us.

A. They are general memoranda of miscellaneous information.

Q. Just point us to anything in there upon which you base your testimony, the testimony you have given us.

A. There is not anything I can point to. They were simply reminders.

Q. What did you testify this morning that the books you have in your lap reminded you of?

A. For instance, in some cases, I had received some samples.

Q. Do not take some cases; take a specific case.

A. I cannot give you a specific case. I had taken memoranda of competitors' goods and had the samples brought to Worcester and analyzed——

Q. I do not want that; I want you to refer me to any memorandum in any one of those books that refreshed your recollection so that you were able to testify this morning as you have testified.

A. I cannot do it.

Q. How many books have you produced here?

A. Three memorandum books.

Q. Is there anything in any one of them that refreshes your recollection with respect to your testimony this morning?

A. Just as I started to describe——

Q. Answer yes or no. Is there anything in any one of those three books that refreshes your recollection upon anything you have testified to this morning?

A. Yes.

Q. Which one?

A. I can tell by looking.

Q. Do so and let us see what it is.

A. I think it will take considerable time to find it now.

Q. Very well. Find it.

A. (After examination of memorandum books.) Well, I have an analysis here of tests of bale wire ties made by the Cleveland Rolling Mill Company for a customer.

Q. It is a memorandum with respect to a test of what?

A. Quality of wire.

Q. Made by the Cleveland Rolling Mill?

A. Yes.

Q. You remembered yesterday that the Cleveland Rolling Mill made wire. So that did not refresh your recollection as to new matter. I want now to have the refresher as to this new information.

A. You asked me to inform you——

Q. No, you told us yesterday that the Cleveland Rolling Mill made wire. So that is not anything you have told us about this morning for the first time.

A. You asked me to tell whether I knew it from my own personal knowledge or from hearsay.

Q. I remember that you testified yesterday that the Cleveland Rolling Mill made wire. I do not know whether you said it was based upon your own knowledge, or simply from hearsay.

A. This shows it was based upon my own knowledge.

Q. Did you go to Cleveland and make the test?

A. No, we had the wire brought to Worcester.

Q. You brought some wire there that you understood was made by the Cleveland Wire Mill, and you had it tested?

A. I do not know whether we bought it or not. We had it in Worcester.

Q. Never mind about the Cleveland Rolling Mill, because we know about that. I want the refresher as to these others that you testified about for the first time this morning; the source of your new information that you obtained over night.

A. There is not any further information in these books.

Q. You have been through the three books?

A. Yes.

Q. You do not find anything in any one of those that gives you any information or refreshes your recollection?

A. There is more in there, undoubtedly.

Q. Find it, then, please. We will wait.

A. My memory is refreshed by looking over in detail that list of the companies and so forth. I remember better than I did yesterday, because I had not seen it until you handed it to me. I have read it over night and thought it out.

Q. Then, do you mean now that you did not refresh your recollection from these books?

A. These books helped me some, but not very much.

Q. Show us wherein——

A. I cannot.——

Q. One moment, please. Show us anything in any one of these books that helped you on any matter you testified to this morning?

A. I am not willing to show you these books. These are principally names of customers, prices to customers, details of that sort, rather than the sources of supplies themselves.

Q. I am not asking you now to show me any of the books, but to find it yourself and read to us the particular item, and nothing else, that refreshed your recollection upon any one of the subjects regarding which you testified this morning.

A. I cannot find them in these books. They are probably in our data at home, but I do not know where——

Q. Why did you bring the three books?

A. I just happened to.

Q. Did you have them here yesterday?

A. No. I had one of them here yesterday.

Q. They are old memorandum books, running back for ten years or more?

A. Yes; this book (indicating), is probably just as I dropped it in Worcester, with papers sticking out of it now.

Q. And that is more than ten years ago?

A. Sixteen years ago.

Q. More than sixteen years ago. You have not been carrying that around for sixteen years?

A. No. It was packed away.

Q. And that is true of the others, also?

A. That is true of the others, yes.

Q. So you brought those here this morning. Why did you do it?

A. I found them by accident. I am preparing to move various letters and other things in the house, which I ran across——

Q. You did not bring down this morning everything else that you are going to move?

A. Do you think so?

Q. I imagine you did not, no.

A. No; I did not.

Q. Well, then, tell us why you brought those three books?

A. Simply on a chance that there might be something in them worth looking at.

Q. Why did you tell us a little while ago that they did contain matter which refreshed your recollection?

A. They did by reading the names of the customers, reading over the wire and prices; they were a very interesting review of old matters.

Q. Let us see the things that you say refreshed your memory.

A. I cannot show them to you.

Q. Refer us to any particular name that refreshed your memory.

A. As a whole?

Q. Not as a whole. You have given the names of a number of concerns that you say made wire. You did not recall them yesterday, but you have testified that your recollection as to those names was refreshed by something in these three books.

A. It was.

Q. Point out any single entry in those three books that refreshed your recollection with respect to any one of those names.

A. I do not care to point out anything.

Q. Can you do it?

A. I am satisfied ——

Q. (Interrupting.) Can you do it? Is there an entry in there that does it?

A. Yes, lots of them.

Q. Then find one.

A. I cannot do it.

Q. Why?

A. They are records of sales to customers, with the dates of the sales, prices, names of the goods, and they do refresh my memory as to where those goods came from.

Q. Omit the price, omit the name of the customer, omit everything except the name of the manufacturer of the wire.

A. They do omit that.

Q. I say, you may omit that and give us the name.

A. I cannot do that.

Q. The fact is you did not sell these goods of these other

A. (Interrupting.) Excepting as a general reminder.

Q. Please pay attention to the question. You did not sell the goods of these other concerns, did you?

A. Of these competing mills?

Q. Yes.

A. Certainly not.

Q. You would not ordinarily put the name of your competitors a mere memorandum of your own sales, would you?

A. I do not understand the question.

MR. LINDABURY: Read the question.

(The stenographer read the question as follows:)

Q. You would not ordinarily put the name of your competitors in a mere memorandum of your own sales, would you?

A. Not ordinarily.

Q. Why, at all?

A. Sometimes, when the goods were specialties, as in that case where I read the analysis, that was interesting to me because we wanted to find out what our competitors were making in quality.

Q. You say that your books show one analysis of the wire at the Cleveland Rolling Mill, but we know all about that from your testimony yesterday, and you did not testify to that this morning as any new matter. I want to know what there is in that book that gives the name of the manufacturer of any competing wire.

A. I cannot tell you.

Q. Is the name of any manufacturer of competing wire contained in that book

A. I do not recall that it is.

Q. You have just gone all through the three books to find out, have you not?

A. I have just glanced through them.

Q. Did not you look at them sufficiently to tell?

A. I do not think the names of the manufacturers are in there at all. They were not memoranda made for that purpose.

Q. When you brought down those three books, why did you not bring the other memorandum that you say you consulted to refresh your recollection?

A. Well, it was just miscellaneous things left over.

Q. Tell us what that miscellaneous other matter was.

A. I cannot tell you; it was current literature, current stuff that I had left over.

Q. Tell us what that was?

A. I cannot tell you.

Q. Letters?

A. No letters.

Q. Printed circulars?

A. Memorandum ——

Q. No, No,—printed circulars? Answer my question.

A. No.

Q. Memoranda made by you?

A. Some I think.

Q. Do you know?

A. I read them over casually, and they reminded me.

Q. When?

A. Last night.

Q. Where?

A. At home.

Q. Have you it there?

A. What?

Q. Have you that memorandum there?

A. I don't think I have anything—

Q. What did you do with it after you read it over?

A. We were reading over a miscellaneous lot of literature of all kinds and threw them away, some of them in the waste-basket.

Q. After it refreshed your recollection, you threw it away?

A. It did not refresh it in the way you are asking for it. It reminded me of the facts in a general way.

Q. You are telling us here you refreshed your recollection by consulting a memorandum last night?

A. Principally these books.

Q. Who were the "We" who looked them over with you?

A. Perhaps I—

Q. Who besides you?

A. There was nobody there but my wife.

Q. The "we" referred to you and your wife?

A. We were looking over our own affairs.

Q. You referred to your wife when you said "we"?

A. I did not refer to her at all.

Q. You said "we."

A. I found what I have found in a large package of miscellaneous letters I had written her and she had written me, if you want to know.

Q. You said "We looked over them last night."

A. Yes, I looked over them.

Q. I wanted to know who the "we" was?

A. "We" meant I.

Q. "We" meant "I"?

A. Yes.

Q. All right; that is kingly.

A. It ought to be in the family.

Q. Very well, never mind. Now, give us a description of one single little bit—

A. (Interrupting) I cannot.

Q. One moment. Hear my question. Give us a description of one single bit of writing that you looked over last night that refreshed your recollection as to any one of these various things you have given here.

A. The books I have in my pocket were the principal reminders.

Q. They did not remind you at all.

A. They did remind me.

Q. Show us what in those books reminded you?

A. The sales to numerous people with the details of their goods, their destinations and their prices.

Q. Did those books mention any competitor?

A. No; they simply reminded me of the competition which I had forgotten about.

Q. In other words, you found that you had sold goods to one dealer or—

A. (Interrupting) Customer.

Q. (Continuing) To one customer or another; and being reminded of those sales you remembered about who else was engaged in the business?

A. That was a very good reminder in that way, together with my reference to this list which I had not looked at.

Q. Coming back to the list, you went over that, and did you get your information from that—any of it—from that list?

A. Certainly I read it.

Q. I mean the information you have given us this morning. Let me have it.

A. Yes; that they made certain things.

Q. Exhibit No. 1 for the Government states that they made certain things?

A. It does.

Q. Is that the way your recollection was refreshed, chiefly?

A. That is a reminder.

Q. You spoke of reports from the agents made sixteen and odd years ago. You did not find any of them?

A. No; I did not find any reports.

Q. Who were those agents?

A. C. T. Boynton was the manager of our Chicago office. He was responsible for the local business.

Q. Do you remember his definitely reporting to you who was making the wire?

A. He commonly reported.

Q. Do you recollect his ever having made a report to you on the subject?

A. He did it all the time.

Q. Do you remember that he did? Have you any definite recollection?

A. Yes; I remember he did right along, constantly.

Q. Did he tell you who was making the wire?

A. I was corresponding with him about it all the time.

Q. Have you the letters?

A. No.

Q. You are giving me your recollection now of the contents of his letters?

A. I am giving the recollection of his correspondence, yes.

Q. How many of these concerns you have named here this morning were mills of the Consolidated? You may read that again, if you want to, to refresh your recollection in that way, if that is a way of refreshing your recollection.

A. Those that are so stated here.

Q. I know, but give them over again. You did not give them together.

A. The Scott Street Mill, so called. These are the names used here.

Q. Well, go on.

MR. DICKINSON: Where is that?

THE WITNESS: Joliet.

By MR. LINDABURY:

Q. Use the names you gave just now.

A. Rockdale Hills, Joliet.

Q. Yes.

A. Allentown Works, Allentown, Pa.

Q. Yes. Central Works?

A. No, sir.

Q. You mentioned the Central Works as Consolidated this morning, did you not?

A. No, sir; the Central Works belong to the Worcester Wire Company.

Q. Yes; I guess that is what I have here; it looked like Consolidated to me. Did you mention the Rockdale Works?

A. The Rankin Works.

Q. Yes. That and some others belong to one concern. What I want you to tell us is how many of those twenty-five named on the first page that we were talking about yesterday you now testify were making wire?

A. You mean these twenty-five here?

Q. Yes. The Consolidated is one. You have given the different mills of the Consolidated, you know.

A. They are not mentioned in this list.

Q. What?

A. Not the Consolidated.

Q. No; but you will observe that half a dozen are covered by the one company, the Consolidated.

A. American Steel & Wire Company.

Q. That is another.

A. The Consolidated is not mentioned here.

Q. Well, it is one of the American Steel & Wire, that is right.

A. The American Steel & Wire Company.

MR. DICKINSON: You mean of Illinois?

MR. LINDABURY: It is mentioned as American Steel & Wire Company. I suppose it is of Illinois.

THE WITNESS: They were successors; joined together, you know.

By MR. LINDABURY:

Q. I understand. I want to know how many of those twenty-five now are included in this list of wire companies you have given this morning?

A. I don't quite understand the question. What twenty-five are you referring to? Do you mean here (indicating)?

Q. No, no; on the first page. There are twenty-five concerns mentioned there as being taken over by the American Steel & Wire Company of New Jersey. Of that twenty-five, how many, as you figure it out now, after your night's work on it, were wire manufacturers?

A. You will have to make that a little clearer to me.

Q. I will.

A. That list there, you know, the American Steel & Wire Company, was a consolidation; I didn't have anything to do with that.

Q. You do not understand me. I will see if I can get it out. The American Steel & Wire Company of Illinois you now say was a manufacturer of wire, do you not, through its subsidiaries?

A. I don't know whether the American Steel & Wire Company had been formed—I have not the dates——whether it was formed between 1890 and 1896, or not. The Consolidated existed and it afterwards joined in, but I have been in the steel business right along, and I can't fix exactly the dates.

Q. Assuming now that the Consolidated was a constituent of the American Steel & Wire Company, then the American Steel & Wire Company, through its constituents was a wire manufacturer, was it not?

A. So far as I have indicated.

Q. That is one.

A. Yes.

Q. Washburn & Moen is two?

A. Yes.

Q. The Worcester Wire Company; where is that located?

A. Worcester, Mass.

Q. You have discovered over night that was a wire manufacturer?

A. I knew it all the time.

Q. Did you tell us yesterday it was?

A. I didn't tell you yesterday, because your questions were so technical I wanted to find out what you meant by wire.

Q. That was right under your eye when you were there?

A. The Worcester Wire Company?

Q. Yes, sir.

A. It was. The President of that company was president of our company.

Q. Exactly. And when I asked you yesterday whether or not that was a wire manufacturer you thought that might call for some kind of knowledge you did not have?

A. I don't think you asked me.

Q. Well, the record will show.

A. I would like to have the record looked up.

Q. You did have personal knowledge yesterday whether that was a wire manufacturer or not, did you not?

A. I did.

Q. The president of the Washburn & Moen Manufacturing Company was the President of that company?

A. Of the Worcester Wire Company.

Q. And they were closely connected?

A. He sat in the next office to me.

Q. Their works, I mean.

A. In the same city.

Q. And you knew all about them?

A. I knew them as a competitor.

Q. You knew what they were doing?

A. No, sir.

Q. You were in their mill, were you not?

A. No, sir; I was never in their mill in my life.

Q. But the offices were together, adjoining?

A. No, sir.

Q. I thought you said they were in the same building?

A. Mr. Rice, the President of the company, occupied the office next to mine while he was president of the Washburn & Moen Manufacturing Company.

Q. I see. Let us go on. The Cleveland Rolling Mill Company, that you said yesterday makes wire. That is four. Indiana Wire Fence Company. Do you say now that makes wire?

A. I have no definite recollection of that at all.

Q. Well, the Garden City Wire and Spring Company, what do you say about that?

A. They used wire.

Q. I am talking about those who made wire?

A. They used wire and manufactured it into other articles.

Q. The Consolidated Barb Wire Company, did they make wire?

A. I am not personally very familiar with them.

Q. The Laidlaw Bale Tie Company, did they make wire?

A. They made bale ties.

Q. The Cincinnati Barb Wire Fence Company, did they make wire?

A. I am not personally very familiar with them.

Q. The Union Rolling Mill Company,—only plant. Did they make wire?

A. I am not familiar with them.

Q. The Portage Iron Company, did they make wire?

A. I am not aware that they made wire.

Q. Newburgh Wire & Nail Company, did they make wire?

A. That was the Coleman Manufacturing Company.

Q. Would you state that they made wire, or do you not know?

A. I think they bought wire of us, and then afterwards made it during the same period.

Q. What do you mean? During the latter part of the period?

A. During the period I was there.

Q. The Allegheny Furnace Company; did they make wire?

A. Let me tell you right there——

Q. All right.

A. We sold rods to a great many wire people who afterwards developed their own rod producing capacity, and the exact dates when they changed from one thing to another are not always clear in my mind.

Q. You have no recollection, then, that is definite about that?

A. I know we sold them wire and sold them rods.

Q. The Pittsburg Wire Company; did they make wire?

A. Yes.

Q. I am asking about their manufacture.

A. They made wire.

Q. No; but the Allegheny Furnace Company?

A. I don't know that they made any wire.

Q. That is all I mean. The Pittsburg Wire Company?

A. They made wire.

Q. The Shenango Valley Steel Company; did they make wire?

A. I don't know that they did.

Q. The Oliver Wire Company?

A. They made wire.

Q. The Oliver & Snyder Steel Company?

A. They made steel, but I don't think they made any wire.

Q. The Puget Sound Wire Nail and Steel Company?

A. That I told you yesterday I didn't know about.

Q. And you do not know now? That is, you were not able to refresh your recollection over night on that?

A. If I were to give you current knowledge——

Q. No; did you refresh your recollection?

A. I never went out there.

Q. You did not go anywhere last night except to your books and papers. Did they refresh your recollection?

A. I don't know whether they made wire or not.

Q. The Edgar Zinc Company?

A. As far as I know I don't know that they made any wire.

Q. The Puritan Coke Company?

A. I don't know.

Q. Clark & Sauntry?

A. I don't know that they made wire.

Q. Alpena Mine?

A. I don't know that they made any wire.

Q. The Cuff Iron Company?

A. I don't know that they made any wire.

Q. Less than half made wire, then, so far as you are able to inform yourself up to today?

A. The last six there it is obvious made other things than wire.

Q. That has been obvious to us all the time.

A. They did not make wire.

Q. Less than half made wire, so far as your present information goes.

You were at Worcester during the time you were with the Washburn & Moen Company?

A. I made my headquarters there.

Q. Will you tell me again how long you were there? I do not recall for the moment.

A. Six years.

Q. Did you, during that time, sell in the Western territory in competition with Joliet and other mills located there from Worcester? That is, did you sell or ship from Worcester to that locality in competition with any of those Western mills?

A. Practically all of our shipments were made from Waukegan.

Q. No, no. Answer the question.

MR. DICKINSON: Let him answer the question. He is answering.

MR. LINDABURY: You may answer it later, but first tell me whether you did or not?

A. Whether we did or not ship anything out there?

Q. Whether you shipped anything from Worcester to the territory about Joliet and those mills?

A. Oh, we did, yes.

Q. When and to what extent?

A. We shipped the class of goods that we did not make at Waukegan.

Q. What, for instance?

A. The more advanced articles.

Q. Specialties, were they?

A. Specialties, yes.

MR. DICKINSON: State what they were.

MR. LINDABURY: You may ask him that, when you examine.

THE WITNESS: Sizes of wire that we did not make at Waukegan.

By MR. LINDABURY:

Q. Were these specialties?

A. Not necessarily specialties. They were sometimes sizes and grades not made at Waukegan.

Q. Were they such as were made at Joliet and other mills referred to, of your competitors?

A. As a general thing, I do not think they made those specialties.

Q. So that the only place in the country where those could be gotten was at your mill?

A. No, sir.

Q. Where else could they be gotten?

A. The Cleveland Rolling Mill was a large maker of specialties.

Q. But, the particular specialties that you made at Worcester and shipped out there?

A. Some of them.

Q. "Some of them," is quite indefinite. I am wondering whether or not——

A. You are calling on my memory regarding thousands of materials, you understand, Mr. Lindabury.

Q. I know; but I wish you would testify carefully, and when you do not know, say so. We shall not be surprised if you do not remember. I am only endeavoring to get what you recall, that is, whether or not you made and shipped from Worcester articles, specialties, or whether you may choose to call them, and shipped them to the Chicago territory in competition with the same articles that were made by the local mills. If you do not remember, you can say so, of course.

A. I cannot remember whether they were made by the local mills. We shipped them out there; large quantities of them.

Q. Can you tell us the principal things you so shipped, so that we can look it up?

A. I think my memoranda would help me a little in that respect.

Q. I shall be very glad if you will not only help yourself, but help us somewhat with those memoranda.

A. That is what these memoranda were particularly for, to find out where we sold goods.

Q. Very good. We may get something out of them yet.

A. (Consulting memorandum book.) I want to say here that it is difficult to separate the sources of supplies, because from one week to another we were transferring the manufacture of goods from our Worcester Works to our Waukegan works; and in my records, in many cases, I did not put down which works they came from.

Q. Then, after all, those books are going to disappoint us again?

A. I do not know about that.

Q. Just look at them and see whether or not you can give us definite information.

A. They are very useful to me.

Q. Then they will be useful to us. If they are really helpful to you, they may be of help to us.

A. I find numerous sales for delivery in this district, but it is impossible for me to tell you whether they were made from Worcester or Waukegan, because I did not keep any record. It is impossible to tell that from the records.

Q. So your books fail us again?

A. So far as the source of supply is concerned.

Q. That is what I mean.

A. Yes.

Q. Let us reverse the operation. Will you tell me whether the Joliet Mills shipped to the Eastern territory in competition with Washburn & Moen?

A. I cannot tell you, no. It would be quite improbable, I should say.

Q. Why?

A. Because they had a market which, as a usual thing, probably took up their own production, nearby.

Q. Is that the only reason?

A. That would be the most natural reason.

Q. What was the freight rate from Joliet to Worcester?

A. I do not know.

Q. Could you give us any idea of it?

A. No, I could not give you any idea of it.

MR. DICKINSON: What was the question—whether they shipped to Worcester?

MR. LINDABURY: Whether the Joliet Mills could ship to Eastern territory in competition with Washburn & Moen, whether they did it; not whether they could. He says he thinks it is quite improbable.

THE WITNESS: I never heard of their doing it.

By MR. LINDABURY:

Q. Did you ever hear of any of those mills about Chicago shipping to the Eastern territory in competition with the Eastern mills—Washburn & Moen or any other?

A. You mean New England?

Q. Yes.

A. I never did.

Q. Well, anywhere on the Atlantic seaboard?

A. It was never called to my attention. If it took place at all, it was insignificant.

Q. The principal barrier would be the freight rates, would it not?

A. The principal barrier would be the freight rates, yes.

Q. Have you no idea what the freight rate was per ton?

A. No, I have not. It is too long ago.

Q. What is it now?

A. I am not interested——

Q. What has the freight rate from Chicago to New York been at any time?

A. I never had occasion to look it up.

Q. You do not mean to tell us, as a steel man, with all this vast experience that you have given us, that you do not know and never did know the freight rate on steel from Chicago to New York? Why, even lawyers know that.

A. I tell you exactly that.

Q. You never knew?

A. I do not remember it now.

Q. You never inquired?

A. I am so much more occupied with more interesting things that I never looked into it.

Q. You shipped from Worcester. Maybe you will tell us the freight rate from Worcester to Chicago.

A. I cannot tell it now.

Q. Did you ever know it?

A. Yes.

Q. And you have forgotten it?

A. Yes.

Q. And yet you can remember when some agent of yours in Chicago told you he was making more wire——

A. Oh, yes; that was much more important.

Q. You remember that?

A. I remember that.

Q. Could you tell within five dollars per ton what the freight rate was from Worcester to Chicago?

A. I think I could.

Q. Could you tell within $3?

A. I have no recollection at the present moment what the freight rates were at all.

Q. Was it as much as $10 a ton?

A. No.

Q. Was it as much as $5 a ton?

A. I tell you I do not know anything about the freight rates.

Q. Very well. I want to get the nearest you can come to it. You think you can tell within $5, and that is about as near as you can come to it, is it?

A. Well, I should say it was in the neighborhood of twenty or thirty cents a hundred pounds.

Q. That pretty well took up the profit on a ton of steel, did it not?

MR. DICKINSON: I think that is arguing the question with the witness.

By MR. LINDABURY:

Q. Do you know what the average profit on a ton of steel wire was, or on steel products such as you made; what the profit was in those days?

A. I had all the costs.

Q. Can you answer the question? Do you happen to

know what the average profit was on a ton of steel wire or other steel products that you produced?

A. No, because I never made up any averages.

Q. So you have not any idea what it was?

A. Not on the average.

Q. Would you be able to say whether this freight rate from Worcester to Chicago was enough to consume the whole profit? Could you say that or not? I ask whether the freight rate from Worcester to Chicago at that time was enough to consume the whole profit?

A. On common wire, I should say it was.

Q. Then, if that were true, there would be another reason for not shipping from Joliet east than the reason that the local market took all that Joliet made?

A. I told you that the freight rate was against us.

REDIRECT EXAMINATION,

By Mr. Dickinson:

Q. When you were questioned yesterday, and undertook to answer about this statement handed you, did you read over the statement?

A. I had never seen the statement before.

Q. And you did not read it over on the stand?

A. No.

Q. You did not read it over until last night?

A. Not until last night, no.

Q. I understood you to say—please state whether I am correct—that when you were asked in regard to your knowledge, that you understood that to mean intimate knowledge of actual manufacture?

Mr. Lindabury: I object to that as leading, and because it is not correctly reciting the testimony of the witness.

By Mr. Dickinson:

Q. When you were asked yesterday in regard to whether you had knowledge of these various manufacturers being competitors in interstate commerce, state what you understood that question to mean, as to your basis of knowledge, the scope of your knowledge?

A. If that question were asked of me by an iron and steel man—

Q. No, take the way the question was asked yesterday, when you answered that you did not know.

A. I do not quite understand.

Q. Were you speaking as to general knowledge of the trade, or your knowledge of competition, or your want of knowledge because you had not actually been to the works.

MR. LINDABURY: That is objected to as leading and suggestive.

MR. DICKINSON: You are not saying which part of it is leading or suggestive.

A. When I said I did not know I understood that the gentleman questioning me was pinning me down to knowledge obtained in the competitor's works.

By MR. DICKINSON:

Q. In the competitor's works?

A. And therefore I did not know.

Q. It was upon that that you based your answer that you did not know?

A. Exactly.

Q. You say that last night, after looking over this, you thought about it, and you refreshed your memory?

MR. LINDABURY: That is objected to as leading.

By MR. DICKINSON:

Q. Did you, or not, when you read this over last night, think about these questions and refresh your memory?

A. I did.

Q. State whether or not your statements as to those who were competitors, were based upon your personal knowledge, independently of any memorandum?

A. My knowledge is general.

Q. But you stated that certain of these concerns were competitors, of your personal knowledge. Do you recall and recollect that as a fact or not?

A. Certain of these concerns?

Q. Yes.

A. Yes.

Q. You do remember them independently of any memorandum.

A. I do.

RECROSS EXAMINATION,

By MR. LINDABURY:

Q. You testified yesterday, did you not, that you had personal knowledge as to some of these?

A. I told you I would answer that this morning.

MR. DICKINSON: I think you have questioned him on that.

MR. LINDABURY: I have questioned him once, but you have questioned him three times.

THE WITNESS: You asked me to look this up——

MR. LINDABURY: You have gone over it two or three times.

MR. DICKINSON: I have gone over it two or three times because you have gone over it repeatedly. I think I have a right to conclude with the witness.

MR. LINDABURY: You have asked him to explain his testimony of yesterday.

MR. DICKINSON: That grew out of your cross-examination.

MR. LINDABURY: He has made an explanation that is not quite satisfactory, and I desire to test it.

MR. DICKINSON: All right, go ahead.

By MR. LINDABURY:

Q. You testified yesterday, did you not, from personal recollection, as to who these competitors were in some cases?

A. Did I?

Q. Did you not? Do you not recall?

A. You asked me to consider the matter over night and report to-day.

Q. That was later on. Did you not give us testimony yesterday based upon what you knew by personal recollection?

MR. DICKINSON: I do not think this is proper cross-examination. I do not think it is proper to cross-examine him about what he said yesterday.

MR. LINDABURY: It is cross-examination upon what you brought out just now.

MR. DICKINSON: If it was anything brought out by my examination a moment ago, that is all right.

MR. LINDABURY: That is all I am going to examine about, to ask the witness to explain his answers of yesterday, and if he testified that he understood my question to limit his personal knowledge to ocular evidence in the factories of these concerns. I want to see whether or not his answers yesterday support that view.

MR. DICKINSON: The record will prove that.

MR. LINDABURY: Well, I will prove it.

MR. DICKINSON: I say if the record is there, that will show us.

By MR. LINDABURY:

Q. Now, I will ask you, Mr. Buell, if you do not recollect that you testified yesterday as to personal knowledge with respect to some of these concerns. Do you remember that?

A. My impression is that I told you I did not know in most cases.

Q. Oh, yes; I remember that.

A. Yes.

Q. You say now, when I asked you about those, that you thought I was exacting from you knowledge derived from eyesight.

A. That seemed to be the tone of your question.

Q. I will read from page 96 of your testimony yesterday, the cross-examination.

"Q. Give me the knowledge that you have that you call personal.

"A. The knowledge that came through our salesmen——

"Q. As to which of these? Not what came through your salesmen.

"A. I cannot give you any other knowledge than that.

"Q. All right——

"A. It is impossible."

Now, do you still say that in making the answers as to personal knowledge you were answering, as you supposed, only in respect to what you saw with your eyesight?

MR. DICKINSON: That is not the only question, Mr. Lindabury, that you asked him on that.

MR. LINDABURY: If you will show me anything else I shall be glad to know of it. That is what I had in mind.

MR. DICKINSON: You were asking other questions, and that is only a portion of it.

MR. LINDABURY: Undoubtedly.

MR. COLTON: I would like you to refer to page 94.

MR. LINDABURY: I will accommodate you, gentlemen. I will read this, leaving out the discussion:

"Q. . . . Which of those 25 names, besides the Washburn & Moen, made wire, so far as you know?"

MR. DICKINSON: Where are you reading from?

MR. LINDABURY: Page 94.

"A. So far as I know?

"Q. Yes, of which you have knowledge, that is what I mean. Which of them, to your knowledge, made wire besides Washburn & Moen?

"A. Do you want me to say that I have been in their plant and seen them?

"Q. No, no.

"A. I want to know what constitutes sufficient knowledge before I answer.

"Q. I think we would not agree about that, and I leave you to decide and I will ask you the basis of your knowledge, if I choose, to, later. Answer the question according to what you think constitutes knowledge.

"A. I will tell you the names of the firms that were reputed to be competing with us, the names I heard through our salesmen's department regularly competing with us.

"Q. I do not want that——

"A. That is all the knowledge I can give you.

"Q. That is simply hearsay."

By MR. LINDABURY:

Q. Now, you will observe that you were told you were not to base your testimony simply upon what you saw from being in plants, but were to give any knowledge that you had, based upon anything besides hearsay. Why do you say now that you understood you were required to answer only as to what you saw yourself in the plants?

MR. DICKINSON: I object to that, because he did not state generally; he only stated that in respect to those things where he was requested to give information as to his personal knowledge, and as to that I understood him to say he received the impression that it must be based upon actual knowledge of the operation and production of the plant.

MR. LINDABURY: Judge, you and the witness are both rather wrong. I am very sure that the record will not bear out anything of that kind.

MR. DICKINSON: That is what you are examining him on.

MR. LINDABURY: No.

MR. DICKINSON: Ask him your question.

MR. LINDABURY: Read the question.

(The stenographer read the question as follows:)

"Q. You will observe that you were told you were not to base your testimony simply upon what you saw from being in the plants, but were to give any knowledge that you had, based upon anything besides hearsay. Why do you say now that you understood you were required to answer only as to what you saw yourself in the plants?"

MR. DICKINSON: I object to the question as not properly stating the testimony, and not distinguishing as between what he stated from personal knowledge and as to general knowledge.

By MR. LINDABURY:

Q. I will stand by the question. You may now answer.

A. That question is so far removed from its context that I cannot answer it now.

Q. You can make no explanation therefore on that point.

A. I can answer the whole question, if you will let me, in a general way.

MR. DICKINSON: Answer it.

MR. LINDABURY: I do not want something else.

By MR. LINDABURY:

Q. You can make any answer you choose to that question which is, why, in view of what I called your attention to as

occurring yesterday, you this morning make an answer to the effect that you understood me to ask for what you saw with your own eyes.

A. That impression remained in my mind.

Q. Yesterday?

A. Yesterday, and to the end of the day.

MR. DICKINSON: That is all.

MR. LINDABURY: That is all.

MR. DICKINSON: Step aside, please.

(Witness excused.)

F. E. PATTERSON,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By MR. DICKINSON:

Q. Mr. Patterson, what is your age?

A. 53.

Q. In what business are you engaged now?

A. I am Secretrary-Treasurer of the American Steel Foundries.

Q. Has that company an office in New York?

A. Yes, sir.

Q. How long have you been with that company?

A. Nearly ten years.

Q. In what business is that company engaged?

A. It is engaged in the making of steel castings.

Q. Where are its works located?

A. At Chester, Pa., Pittsburg, Pa., Franklin, Pa., Sharon, Pa., Reliance, Ohio, Indiana Harbor, Ind., Granite City, Ill., East St. Louis, Ill.

Q. Where do you make your headquarters?

A. At Chicago.

Q. Is that your legal residence?

A. Yes, sir.

Q. Has that company or not any connection with the United States Steel Corporation?

A. Only as a mercantile proposition. They may buy or they may sell between the companies.

Q. But you have no other connection with them, one way or the other?

A. No, sir.

Q. When did your experience in any branch of the iron and steel or wire business begin, Mr. Patterson?

A. I think about 1877 or 1878.

Q. Have you or not been in that business practically since that time, in the various branches of it?

A. Yes, sir.

Q. Here in the United States?

A. Part of the time in England.

Q. What part of that time was in England?

A. A little over two years.

Q. The balance of the time you have been here in the United States?

A. Yes, sir.

Q. Were you or not connected with the Consolidated Steel & Wire Company?

A. I was.

Q. About what time was that company formed?

A. In 1893 or 1894. In 1893 I think.

Q. In the early nineties?

A. Yes.

Q. Who were the principal officers of that company? Who was the President?

A. I think William Edenborn was President; at least a portion of the time.

Q. What connection did you have with that company?

A. I was Secretary of the Company a portion of the time, and a portion of the time I was the Eastern agent for it.

Q. How long did you remain with that company?

A. From its formation until its absorption by the American Steel & Wire Company of Illinois.

Q. What time was that, about?

A. I think about 1898 the American Steel & Wire Company of Illinois was formed.

Q. What were the constituent companies of the Consolidated Steel & Wire Company?

A. There were five, as I remember them.

Q. Name them, please.

A. The Iowa Barb Wire Company; the Braddock Wire Company; the Baker Wire Company; the Lambert & Bishop Wire Fence Company, and the St. Louis Wire Mill Company.

Q. Where did the Iowa Barb Wire Company have its works?

A. The Iowa Barb Wire Company had its works at one time at Youngstown, Pa., at one time Easton, Pa., and afterward at Allentown, Pa.

MR. SEVERANCE: Which company was that?

MR. LINDABURY: The Iowa Barbed Wire Company.

By MR. DICKINSON:

Q. What did they make?

A. At Youngstown they made barbed wire; that is, they took the plain wire and turned it into barbed wire, and probably also made staples; I am not sure. They also made post hole diggers. At Easton they did the same thing, and also galvanized plain wire; that is, applied a coating of zinc to plain wire which they purchased.

At Allentown they rolled rods, drew wire, galvanized it, made barbed wire, staples, wire nails and fence stretchers.

Q. Where were those products sold, speaking generally?

MR. LINDABURY: The product really seems to have been barbed wire and its accessories, I take it.

THE WITNESS: Practically so; and wire nails.

MR. DICKINSON: He said barbed wire, and galvanized wire.

MR. LINDABURY: That is the same. They galvanize the barbed wire, I suppose, do they not?

THE WITNESS: They galvanize the plain wire and then make it into barbed wire; but it is sometimes sold as a separate article.

By MR. DICKINSON:

Q. Where were these goods sold? Were they sold in the United States largely, or not?

A. They were practically all sold in the United States, although some of them were sold for export.

Q. Some were sold for export?

A. Yes.

Q. But they were sold mainly in the United States?

A. Yes.

Q. In what territory?

A. Some of it went to California, some to Texas, some to the Northwest, St. Paul and Minneapolis; also to New England, New York State, Pennsylvania, Maryland.

Q. They were sold pretty generally, then, were they, throughout the United States?

A. Pretty generally, except as to the Middle West; very little of it out there.

Q. Where was the Braddock Company situated?

A. Just outside of Pittsburg; Rankin Station, I think it was.

Q. What did they make?

A. Wire rods, plain wire, barbed wire, nails, staples.

Q. Substantially the same as the Iowa Barb Wire Company?

A. Substantially the same.

Q. In what territory did they sell?

A. Pretty well all over the United States, except they did not come east to any large extent.

Q. Where was the Baker Wire Company located?

A. Its mills were at Lock Port, Illinois.

Q. What did they make?

A. They made barbed wire and staples.

Q. And where were they sold?

A. Principally in the Middle West.

Q. Now, the Lambert & Bishop Wire Company?

A. They were located at Joliet, Illinois.

Q. What did they make?

A. Plain wire, barbed wire, and nails and staples.

Q. Where were they sold?

A. Principally in the west and southwest.

Q. In the same territory, partly, in which these other companies sold?

A. Partly.

Q. Partially the same?

A. Yes, sir.

Q. Was the next one you mentioned the St. Louis Wire Mill?

A. I think so.

Q. Where was that located?

A. St. Louis, Mo.

Q. What did they make?

A. Plain wire, barbed wire, staples and nails.

Q. And in what territory did they sell?

A. Substantially the West and Southwest and South, principally.

Q. State whether or not your position with and knowledge of the affairs of this company and its trade enable you to speak as to where these various products were sold generally?

A. Yes, sir.

Q. You are speaking of this of your own knowledge and recollection?

A. Yes, sir.

Q. At the time these five companies that you name were put into the Consolidated Wire Company, were they or not competitors in interstate trade in the various products which you have mentioned that they have severally made?

A. They were competitors in certain common products, but not in all products that they produced.

Q. Mention what common products.

A. Barbed wire was a common product; plain wire was a common product.

Q. I understood you to say that you stayed with this company until its absorption by the American Steel & Wire Company of Illinois, which as you recollect was about 1898?

A. Yes, sir.

Q. Did you or not, go with the new company, the American Steel & Wire Company of Illinois?

A. I did.

Q. What position did you have with that company?

A. I was the eastern agent for it, and I think assistant secretary.

MR. LINDABURY: You think what?

THE WITNESS: Assistant Secretary, I think, during a portion of the time.

Q. How long did you remain with the American Steel & Wire Company of Illinois?

A. Until the formation of the American Steel & Wire Company of New Jersey.

Q. Do you remember what time that was?

A. I think the Illinois Company only lasted about a year; that was about 1899.

Q. Yes; August 12th, 1899; so the record already shows. What were the constituent companies of the American Steel & Wire Company of Illinois?

A. I can not tell you. They consolidated with one.

Q. Can you state whether or not the American Wire Nail Company was one of them?

A. I think it was.

Q. Is that your recollection, that it was?

A. My recollection is that it was.

Q. State whether or not the I. L. Ellwood Manufacturing Company was one of them?

A. I think it was.

Q. To the best of your recollection it was?

A. Yes.

Mr. Lindabury: That is set out in the bill, you know, and admitted in the answer.

Mr. Dickinson: Yes; I know, but I am just laying the foundation for some questions. And the Ellwood Wire & Nail Company?

A. I think so.

Q. How about the McMullen Fence Company?

A. I haven't any particular memory as to that.

Q. How about the Consolidated Steel & Wire Company that you have just described?

A. That was a part of it.

Q. Do you know the H. P. Nail Company; can you state where its works are located?

A. At Cleveland, Ohio.

Q. What did that company manufacture and sell?

A. It made wire rods, plain wire—I can't tell further than that.

Mr. Severance: There is the American Wire Company at Cleveland, and the American Wire Nail Company, of Anderson, Indiana. Which one are you asking about?

MR. DICKINSON: Just strike out that question and I will take them in the order here.

MR. SEVERANCE: Begin again with regard to constituents.

By MR. DICKINSON:

Q. I was speaking to you about the constituent companies in the American Steel & Wire Company of Illinois. What did the Salem Wire Nail Company make?

A. Plain wire nails, as far as I know.

Q. Did that company sell its products in interstate commerce?

A. It did.

Q. In what territory?

A. Pretty well all over the country.

Q. The H. P. Nail Company, of Cleveland, Ohio; what did that company make?

A. They made rods, plain wire, nails, that I know of; I think also some other products.

Q. Where were they sold by that company?

A. Pretty well all over the country.

Q. The American Wire Company, of Cleveland, Ohio. What did they make?

A. Rods, plain wire, and I think, afterwards, nails; but I am not quite sure of the period.

Q. Where were they sold?

A. Generally throughout the country.

Q. That is, you mean throughout the United States?

A. Yes.

Q. The American Wire Nail Company of Anderson, Indiana; what did that company make?

A. Plain wire and nails. I am not sure what else.

Q. Where were they sold?

A. Generally throughout the country, but particularly in the West.

Q. The Ellwood Wire Nail Company, and the I. L. Ellwood Manufacturing Company of DeKalb, Illinois; what did those concerns make?

A. The I. L. Ellwood Manufacturing Company made barbed wire and staples, principally.

Q. And the Ellwood Wire & Nail Company?

A. The Ellwood Wire & Nail Company made plain wire and nails. I am not sure of any other product.

Q. Where did those two companies sell their products?

A. Largely in the West.

Q. State whether or not these constituent companies which I have just named were at the time they were consolidated into the American Steel & Wire Company of Illinois, competitors in interstate commerce in the United States, upon the several articles that you have described as having been made by them.

A. They were competitors in those lines that were common to all, or between any two of them.

Q. Did you continue for any time, and, if so, for what time, with the American Steel & Wire Company after it was formed?

A. That is, the American Steel & Wire Company of New Jersey?

Q. Yes, of New Jersey.

A. I remained with that company until 1902.

Q. From its formation in 1899 until 1902?

A. Yes, sir.

Q. What position did you hold with the company?

A. Assistant Secretary.

MR. SEVERANCE: That is, with the Consolidated Company, or the American Steel & Wire Company?

THE WITNESS: The American Steel & Wire Company of New Jersey.

By MR. DICKINSON:

Q. Mr. Patterson, I hand you a paper already filed in this case, and marked as an exhibit (Government Exhibit No. 1), and ask you to use that as a memorandum upon the questions that I shall now ask you.

Looking at the bottom of the first page, under the heading, "Description of property, do you see the Anderson Works, of Indiana?

A. Yes, sir.

Q. The statement here is that they had a rod mill, capacity 6,300 tons of wire rods monthly, and a wire mill, capacity 5,200

net tons. Where were the products of the Anderson works sold, generally?

A. In the West.

Q. In what part of the West? I am speaking now as of the time of its absorption by the American Steel & Wire Company of New Jersey. My question relates to that time.

A. I do not think I can say anything more definite than that it was principally in the West.

Q. In the West. You are speaking as of that period?

A. As of that period, yes.

Q. That is the time all my questions are addressed to. Now follow that list and take your time on that page and the following pages, and state what other concerns made like products and sold them in the same territory, if there were any? Just call them off as you go over them, if you recognize and know that any of them did.

MR. LINDABURY: One moment. I do not know whether the examiner is simply desiring the witness to follow that list of companies for convenience——

MR. DICKINSON: That is all.

MR. LINDABURY: Or whether he is asking him to take his facts from that paper.

MR. DICKINSON: Not at all.

MR. LINDABURY: I object to the latter, of course.

MR. DICKINSON: No, I am not asking him to tell anything except from his own knowledge, but I am using this as a matter of convenience.

MR. LINDABURY: I do not object to that, but we do not admit the correctness of this stock exchange statement.

MR. SEVERANCE: I think he is only using the list on the front page.

MR. LINDABURY: I understand; but the witness must testify from his own recollection, and not simply from what he sees there.

MR. DICKINSON: It is intended simply to shorten the examination.

MR. LINDABURY: I do not object, but the witness should understand that he is testifying from his own knowledge.

MR. DICKINSON: Yes; he should understand that.

THE WITNESS: The Crawfordsville works made plain wire and barbed wire and barbed fence staples.

By MR. DICKINSON:

Q. In what territory did they sell?

A. Principally in the Central West.

Q. Did they or not compete with the Anderson Works in product and in territory?

A. Yes.

Q. Proceed, please.

A. The DeKalb Works. Two plants. The I. L. Ellwood Manufacturing Company and the Ellwood Wire & Nail Company. (The former name.) The I. L. Ellwood Company made barbed wire and staples. The Ellwood Wire & Nail Company, plain wire and nails.

Q. In what territory did they sell?

A. They sold largely in the Central West. How much further they went I do not know.

Q. Did they or not compete with these other two companies you have just named, the Anderson Company and the Crawfordsville Company?

A. Yes.

MR. LINDABURY: I do not object to this, of course, if you know. You are testifying according to your recollection and knowledge, are you?

THE WITNESS: I am, entirely.

By MR. DICKINSON:

Q. Proceed, please.

A. Evanston Works. Originally owned by the McMullen Fence Company. I know very little or nothing about them.

Q. Well, go on.

A. Joliet Scott Street Mill. Originally owned by the Consolidated Steel & Wire Company. They made plain wire, barbed wire and nails; they sold in the North, Northwest, Central West and Southwest.

Q. Were they in competition with these others you have named, except McMullen?

A. In some portion of their territory.

Q. Outside of Illinois.

A. Yes, sir.

Q. Very well, proceed.

A. Rockdale Mill. Originally owned by the Consolidated Steel & Wire Company. They made plain wire and barbed wire. Those are the only products I am sure of.

Q. State where they were sold.

A. In the Middle West, Northwest and Southwest, principally.

Q. Were they or not at that time competitors of these other companies that you have specified?

A. In certain parts of their territory they were.

Q. Outside of Illinois?

A. Outside of Illinois.

Q. Proceed, please.

A. The Bluff Street Mill. I don't know anything about that.

Q. Proceed.

A. Meeker Avenue Mill. I don't know anything about that.

Q. Go on.

A. Garden City Works. I don't know anything about that.

Q. Proceed.

A. The Lawrence Works. I know nothing about that at this time, at this period.

Q. Proceed.

A. The St. Louis Works, originally owned by the Consolidated Steel & Wire Company, made plain wire, barbed wire and nails.

Q. What territory did they cover?

A. Principally in the West and Southwest.

Q. Were they or not competitors in these things with those concerns you have previously named and which you have spoken of with knowledge?

A. In some portion of the territory, yes, sir.

Q. And outside of the State of Missouri?

A. I think so.

Q. That is your recollection, is it?

A. Yes, sir.

Q. Proceed, please.

A. Waukegan Works, formerly Washburn & Moen Manufacturing Company. I only know of those by hearsay, as far as any knowledge of the works is concerned.

Q. How about the territory of their sales; do you know of that of your own knowledge?

A. To some extent; yes.

Q. To what extent, please?

A. I know they made plain wire there, and I know they made barbed wire, and it was sold in the Western Territory.

Q. The same territory generally in which you have said these others sold?

A. Partially.

Q. And outside of the State of Illinois?

A. Yes, sir.

Q. State whether or not that was a large or small concern, comparatively?

MR. LINDABURY: He says he has no knowledge about it.

A. I never was inside of the works. I have passed them. They looked as though they were pretty good sized works.

By MR. DICKINSON:

Q. Proceed, please.

A. The Cincinnati works, formerly Cincinnati Barbed Wire Fence Company. They made barbed wire, plain wire and I think nails, but I am not sure.

Q. Where did they sell?

A. Principally in the South and Southwest.

Q. Did they come in competition with any of these companies which you have previously mentioned?

A. Some of them.

Q. Outside of the State of Ohio?

A. Yes, sir.

Q. Proceed, please.

A. Central Furnace, formerly Cleveland Rolling Mill Company. The Cleveland Rolling Mill Company made wire rods, plain wire and barbed wire, among other things. They also made steel.

Q. Where did they sell wire, plain and barbed?

A. They came into the East, to a certain extent, with some of their products, and also went westerly with part of them.

Q. Outside of the State of Ohio?

A. Outside of the State of Ohio.

Q. Did they or not compete in this eastern territory with the other concerns which you have mentioned?

A. To some extent.

Q. State whether or not they competed in the Eastern territory with any of the constituents of the American Steel & Wire Company which was located in that territory?

MR. SEVERANCE: That is the Central Furnace Company you are asking about now?

MR. DICKINSON: Yes.

A. I am talking of the Cleveland Rolling Mill Company as a whole. It has two or three plants.

By MR. DICKINSON:

Q. What are those plants?

A. I cannot tell you. I know there is more than one plant.

Q. You are speaking of several plants?

A. Yes, sir.

Q. Are they located at Cleveland?

A. In or near Cleveland.

Q. I understood you to say that part of that territory of sale was in the West and part in the East?

A. Yes, sir.

Q. You have already answered as to competition in the West. Now I want you to answer, if you can, as to whether or not those plants competed with any other constituents of the American Steel & Wire Company or those companies that became constituents in the East, or in any other territory except the West.

A. They did, to a certain extent; yes, sir.

Q. Can you mention some of those competitors?

A. They competed with the Consolidated Steel & Wire Company.

Q. How about the Washburn & Moen Company; did they compete with them?

A. I cannot say positively.

Q. Proceed, please.

A. Emma Furnace, formerly the Union Rolling Mill Company. I do not know anything about that.

Q. Go on.

A. Consolidated Mill, formerly American Steel & Wire Company of Illinois.

Q. You have already spoken about the Consolidated Company and its constituents. State whether or not the Consolidated Company in its various works competed with other constituents of the American Steel & Wire Company, and if so, in what territory?

A. It competed in certain common products; yes, sir.

Q. In what territory?

A. In the East—practically all of the country.

Q. Proceed, please.

A. American Mill, originally owned by American Wire Company of Illinois. That works made rods and plain wire. I am not sure about its other products.

Q. State what territory they sold in.

A. They sold both East and West.

Q. And outside of Ohio?

A. And outside of Ohio.

Q. State whether or not they competed with other constituent companies set out here.

A. They did with some of them.

Q. Could you mention some of them?

A. At times they competed with the Consolidated Steel & Wire Company. The H. P. Mill, originally owned by H. P. Nail Company, which produced rods, plain wire and nails, and possibly other products.

Q. In what territory did they sell?

A. Both East and West.

Q. Outside of Ohio?

A. Outside of Ohio.

Q. Did they or not compete with any other constituents set out in this list?

A. They did?

Q. Could you name some of them?

A. The American Steel & Wire Company.

Q. Any others?

A. I cannot say.

Q. How about the Washburn & Moen Company?

A. I cannot say definitely.

Q. Can you mention any others except the Consolidated Steel & Wire Company with which they competed? You may take time to look over that list, Mr. Patterson, and see if you can see any others that you know of.

A. They competed with the Salem Wire & Nail Company.

Q. Follow the list on down, and as you pass over them, mention those, if any, with which they did compete.

A. The Findlay Works, originally owned by the Salem Wire & Nail Company.

Q. Go right through the list, please.

A. They made plain wire and nails.

Q. Are you answering now as to competitors of the H. P. Nail Company?

A. No, I have finished with that. You asked me to go through the list.

Q. No, I meant to go through the list of the names and see whether you knew if any of those were competitors.

MR. SEVERANCE: Did he name any competitor except the Consolidated?

THE WITNESS: I said the Salem Wire & Nail Company.

By MR. DICKINSON:

Q. I mean run your eye through the list to see if there are any others named. If so, just name them. Just take your time for that.

A. I cannot give anything further than that.

Q. Go on, then, please, with the list. You stated as to the H. P. Nail Company. Take the Findlay Works. That is the next in order.

A. They were originally owned by the Salem Wire & Nail Company.

Q. What did they make?

A. Plain wire and wire nails.

Q. In what territory did they sell?

A. Both East and West.

Q. Generally throughout the country outside of Ohio?

A. Throughout a portion of it.

Q. Did they or not compete with any of the other constituents?

A. They did. They competed with the Consolidated.

Q. How about Washburn & Moen?

A. I cannot say definitely.

Q. Proceed.

A. The Salem Works, originally owned by the Salem Wire & Nail Company. So far as I know, the same thing would apply there.

Q. The same that applied to the Findlay Works?

A. The same that applied to the Findlay works.

Q. Take the Newburgh Works.

A. That was formerly the Cleveland Rolling Mill Company which we have already covered.

Q. What you have said with respect to that would apply to this, would it?

A. Yes.

MR. LINDABURY: No. It is included.

MR. DICKINSON: Of course if it is included, it would apply to it.

Q. Now, come down to the Pittsburg District.

A. The Allegheny Works, formerly the Allegheny Furnace Company. I do not know much about that except that it was a steel plant.

Q. Go on.

A. The Beaver Falls Works, originally owned by the Consolidated Steel & Wire Company. They made wire rods, plain wire and wire nails.

Q. In what territory, Mr. Patterson, did that concern sell?

A. The Consolidated Steel & Wire sold pretty well all over the country.

Q. It was one of the Consolidated Steel & Wire companies?

A. This was one of their works.

Q. State whether or not what you have already said with regard to competition applies to this works?

A. Yes.

Q. Now take the next. You have already referred to the Braddock works, have you not?

A. The Braddock works, formerly Pittsburg Wire Company. They made wire rods and plain wire, and wire nails, as well; probably other products also.

Q. Where did they sell?

A. Both east and west. Principally west.

Q. East and west, however?

A. Yes.

Q. And outside of the State of Pennsylvania?

A. Yes, sir.

Q. Were they in competition with any of these other companies? Did they sell in the same territory?

A. They did, partially.

Q. Partially?

A. Yes.

Q. And, to that extent, they were competitors, were they not?

A. Yes.

Q. Now the next, please.

A. Newcastle Works, formerly Shenango Valley Steel Company. They made wire rods, plain wire and wire nails.

Q. Where did they sell?

A. Largely west?

Q. And outside of the State of Pennsylvania?

A. Yes.

Q. State whether or not they competed in that western territory with those concerns making the same things.

A. With some of them.

Q. As to those that you have described as selling in the western territory, west of Pennsylvania; did they compete with them?

A. Where the products were alike.

Q. Where the products were the same?

A. Yes, sir.

Q. Now, the Rankin works.

A. That was originally owned by the Consolidated Steel & Wire Company.

Q. You have already spoken of that?

A. Yes, sir.

Q. Proceed to the next, then.

A. The Shoenberger Works was a steel plant.

Q. We will pass that over, then.

A. The South Side Works, formerly the Oliver Wire Company.

Q. What did they make?

A. Rods, plain wire, barbed wire, nails and possibly other things. I do not know.

Q. Where did they sell?

A. Both east and west.

Q. And outside of the State of Pennsylvania?

A. Yes, sir.

Q. Were they or not competitors?

A. They were, with some of the others.

Q. They were competitors with some of the other concerns?

A. Yes.

Q. Take the Allentown, Pennsylvania, works next?

A. Originally owned by the Consolidated Steel & Wire Company.

Q. What you have said as to that applies, does it?

A. Yes, sir.

Q. They were engaged in making and selling in interstate commerce?

A. Yes.

Q. Outside of the State of Pennsylvania?

A. Yes.

Q. And in competition with these other concerns selling in the same territory?

A. Some of them.

Q. That is to say, making the same character of products?

A. Yes, sir.

Duncanville works, formerly of Portage Iron Company.

Q. What did it make?

A. It made plain wire and wire nails; possibly other things.

Q. Where did it sell?

A. Principally in the east.

Q. Outside of Pennsylvania?

A. Yes, sir.

Q. Please run your eye through the list and state who their competitors were in interstate commerce, commerce among the States.

A. They competed with the Consolidated Steel & Wire Company.

Q. With any others?

A. I cannot say definitely.

Q. How about the Washburn & Moen Company?

A. I cannot say as to that.

Q. Go on, please.

A. The Newburgh works, formerly Newburgh Wire & Nail Company.

Q. They were situated in New York, were they?

A. In New York State, yes. They had one wire mill.

Q. Did they sell their products in interstate commerce?

A. I do not know.

Q. You are not able to state about that?

A. No.

Q. Pass to the next then; the San Francisco district.

A. I know nothing about that except by hearsay.

Q. Come to the Worcester district, then.

A. Central works, Worcester; formerly Worcester Wire Company. They made plain wire, principally.

Q. Where did they sell?

A. I cannot tell you.

Q. You do not know?

A. I do not know.

Q. Take the next, please.

A. North and South works; formerly Washburn & Moen Manufacturing Company. I know they made rods, barbed wire and plain wire.

Q. In what territory did they sell?

A. They sold here in the east. At one time they sold in the southwest. I cannot say as to the particular dates.

Q. Outside of the State of Massachusetts?

A. Outside of the State of Massachusetts.

CROSS-EXAMINATION.

By Mr. Severance:

Q. When did you first go into the wire business?

A. I think it was in 1877, or 1878.

Q. What was the first company that manufactured fence wire, so far as you know?

A. Fence wire?

Q. Yes; barbed wire or plain wire. What companies were manufacturing fence wire when you first went into the business, say among these that you have on the list here?

A. One is all I can think of.

Q. Which one was that?

A. The I. L. Ellwood—I do not know what the name was at that time.

Q. That was the only one you knew of at the time?

A. Yes.

Q. You said you were connected for some time with the Consolidated Steel & Wire Company?

A. Yes, sir.

Q. In what capacity were you connected with that company?

A. Part of the time I was secretary, I think; part of the time eastern agent or New York agent.

Q. You just stated your connection with the Consolidated Steel & Wire Company. Now will you be kind enough to name the corporations that went into the Steel & Wire Company, and see if I have them right in my notes. What were the ones that went into that company?

A. Into the Consolidated? As I remember them, the Iowa Barb Wire Company; the Braddock Wire Company, the Baker Wire Company, the Lambert & Bishop Wire Fence Company, the St. Louis Wire Mill Company.

Q. How many plants did the Iowa Company have?

A. One.

Q. Where was it located?

A. At different times it was located at different points. It was located at Johnstown, Pennsylvania, Easton, Pennsylvania, and finally at Allentown, Pennsylvania.

Q. I misunderstood you. You mentioned those three towns, and I thought they only had one plant.

A. That is correct.

Q. Where was the Braddock Wire Company's plant?

A. Just outside of Pittsburg. I think it is at Rankin station.

Q. One plant?

A. One plant.

Q. How many plants did the Baker Company have?

A. One plant.

Q. Where was that located?

A. At Rockport, Illinois.

Q. And the Lambert & Bishop Company; how many plants did they have?

A. One.

Q. Where was that located?

A. At Joliet, Illinois.

Q. The St. Louis Wire Mill Company; how many plants did they have?

A. One.

Q. Is it not a fact that those five plants that went into the Consolidated Company, or, rather, the corporations that owned those five plants, were composed of the same gentlemen as stockholders?

A. Very largely.

Q. So that it was merely an organization of the people who owned the property?

A. Yes.

Q. That put the five plants together?

A. Yes, sir.

Q. So much for the Consolidated. What year was it that these plants were put by the gentlemen owning them into that one corporation?

A. I think it was about 1893.

Q. Were you connected with them during all the time they were in existence before they were taken over by the other company?

A. I was connected with the Consolidated Steel & Wire Company until it was taken over by the American Steel & Wire Company. Is that what you mean?

Q. Yes.

A. Yes.

Q. And they were in fact part of the American Steel & Wire Company of Illinois, were they?

A. Yes. These five corporations?

Q. Yes.

A. The Consolidated Steel & Wire Company was.

Q. It was?

A. Yes, sir.

Q. I want to find out this: Did the Consolidated Steel & Wire Company go into the American Steel & Wire Company of Illinois or did it go into the American Steel & Wire Company of New Jersey?

A. It went into the American Steel & Wire Company of Illinois.

Q. Yes. What other plants were taken into the American Steel & Wire Company of Illinois, or purchased by it, aside from the plants of the Consolidated Company?

A. I cannot tell you.

Q. You do not know?

A. I do not remember.

Q. You were an officer of the American Steel & Wire Company of Illinois, were you not?

A. I believe I was assistant secretary part of the time.

Q. Was there any time that the making of wire was controlled by patents?

A. There was a time when the making of barbed wire was controlled by patents.

Q. That is what I mean. What corporation or person was the owner of that patent?

A. The Washburn & Moen Manufacturing Company was the reputed owner of the so-called basic or broad patents for barbed wire, at the time of the first important decision upon the patents.

Q. Do you remember when the decision was rendered?

A. I would have to guess at that; but I should think it was about 1881.

Q. After that decision, what companies, if you remember, were engaged in the manufacture of barbed wire?

A. I could not undertake to say, but few of them.

Q. Very few, were there not?

A. You mean subsequent to the decision?

Q. Yes, after the decision.

A. The number of the barbed wire manufacturers through-

out the country was greatly reduced after that decision was rendered.

Q. Then you recall the names of the ones that continued in that business after the decision?

A. I can recall some of them.

Q. What were they?

A. The Iowa Barb Wire Company was one.

Q. It was one of the companies that you say went into the Consolidated?

A. Yes, sir. The Lambert & Bishop Wire Fence Company.

Q. That was another one of the Consolidated?

A. Yes, sir. I cannot be sure of any more at this time.

Q. You do not remember any more?

A. No.

MR. DICKINSON: What time do you speak of now?

THE WITNESS: After the first decision of importance in the barbed wire patents.

MR. LINDABURY: Sustaining the basic patent of Washburn & Moen?

THE WITNESS: Yes, sir. That was not the final decision; not the Supreme Court decision.

MR. LINDABURY: But it was the first decision sustaining that broad patent?

THE WITNESS: The first decision sustaining that broad patent.

(Thereupon at 12:30 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

At the expiration of the recess the hearing was resumed.

F. E. PATTERSON,

the witness under examination when the recess was taken, resumed the stand for further cross examination by MR. SEVERANCE.

Q. After the decision in the Washburn & Moen patent litigation, I understood you to say this morning the number of manufacturers of barbed wire very largely decreased?

A. Yes, sir.

Q. And following that were the people who were engaged in that industry operating under licenses from the Washburn & Moen Company?

A. Most of them were.

Q. Nearly all of them were, were they not?

A. Nearly all of them.

Q. And were the plants in the Consolidated Company operating under such licenses; that is, the Iowa Company and the others already spoken of?

A. The Iowa Barb Wire Company took a license from the Washburn & Moen Manufacturing Company.

Q. And that was the one with which you were originally connected, was it not?

A. Yes, sir. I think the Baker Wire Company had a license.

Q. What was the Columbia Patent Company, or the Columbia Wire Company?

A. There were two corporations, as I remember it now; one was the Columbia Patent Company, and the other the Columbia Wire Company.

Q. What was their business?

A. The Columbia Patent Company, I believe, acquired the barbed wire patents from the Washburn & Moen Manufacturing Company. That, however, was some years after the patent decision of which we have been talking.

Q. Who were the controlling spirits in the Columbia Patent Company?

A. The barbed wire manufacturers of the country; not all, but a number of them.

Q. Was Mr. Gates in that company?

A. He was.

Q. Was he a prominent member of that company?

A. He was.

Q. Mr. John W. Gates?

A. Yes.

Q. And did that company license the gentlemen who were interested; that is, the manufacturers who were interested?

A. It did.

Q. And these companies that went into the Consolidated and the American Steel & Wire Company of Illinois, were

companies so licensed, were they not, in so far as the manufacture of barbed wire was concerned?

A. They were.

Q. You testified this morning somewhat in detail, Mr. Patterson, in reference to the companies that were purchased or taken over by the American Steel & Wire Company of New Jersey. Counsel asked you to read them off from the stock exchange sheet.

A. Yes, sir.

Q. I am going to read you off some names of companies that, as I understand it, were not taken over either by the American Steel & Wire Company of Illinois, or the American Steel & Wire Company of New Jersey.

MR. DICKINSON: I think that is an unnecessary statement in regard to your understanding about it, Mr. Severance.

MR. SEVERANCE: Possibly it is, but I think I will make it just the same.

MR. DICKINSON: I except to that, stated by counsel as a fact, not in proof.

MR. SEVERANCE: I will submit it to the witness.

By MR. SEVERANCE:

Q. I will ask you about the Norton Iron Works of Ashland, Kentucky. Was that company purchased by the American Steel & Wire Company of Illinois, or the American Steel & Wire Company of New Jersey, either one?

A. I do not think it was.

Q. You said you were an officer, I believe, of both of those companies, did you not?

A. Yes, sir.

Q. So far as you know, it was not purchased, was it?

A. It was not, so far as I know.

Q. What was the business of the Norton Iron Works of Ashland, Kentucky?

A. I am not sure that I can tell you definitely about that particular company.

Q. Were there some other companies associated with it?

A. There were in that neighborhood three companies that were very closely associated one with the other. One of them,

as I remember it, owned blast furnaces, another one a rolling mill and a rod mill and wire mill. They made both cut nails and wire nails and plain wire; probably other things, but I do not recall. I am not able to make an exact division of products as to those three companies that are always associated in my mind as one.

Q. I call your attention to the Norton Iron Works of Ashland, Kentucky. Is that one of the three?

A. That is one of the three.

Q. Were the other two located at Ironton, Ohio?

A. At or near there.

Q. And what were their names?

A. One was the Kelly Iron Company or Kelly Nail Company.

Q. The Kelly Iron & Nail Company, was it not?

A. Possibly so. Kelly was the prominent part of it; of the name, I mean.

Q. And what was the other? The Bellefont Nail Company?

A. I think so.

Q. Those are the three that you say were closely associated together; and were they selling this particular class of product which you have been interrogated about today, namely, wire, wire nails, and rods in the market in competition with some of the companies that you have been testifying about?

A. They were at least so far as wire and nails are concerned; as to whether they were sellers of rods, I do not know.

Q. That is, you do not know whether they used their rod in manufacturing wire, or whether they sold it?

A. I do not.

Q. But you do know, as far as wire and nails are concerned, that they were in competition with some—not all, but some of these companies that you have been asked about?

A. Yes, sir.

Q. Do you know of a company called the Dillon-Griswold Wire Company, of Sterling, Illinois?

A. I do.

Q. What was the nature of their business? What did they make?

A. Plain wire, nails, I think, and either that company or

one closely associated with it made barbed wire. I think they also made field fence.

Q. And was that company or its associates you have mentioned in competition in the market with certain of the companies which you were asked about this morning

A. It was.

Q. One question that I might ask to follow the suggestion of Judge Dickinson's questions: Did this Company sell at points outside the State of Illinois, as well as locally in Illinois?

A. Yes.

Q. And did the companies in Kentucky and Ohio sell at points outside of Kentucky and Ohio?

A. Yes.

Q. Do you know of a company called the Paige Woven Wire Fence Company, of Adrian, Michigan, and Pittsburg, Pennsylvania?

A. I know of it.

Q. And do you know what kind of product they manufacture?

A. Plain wire and steel fence; that I know, at least.

Q. Was that company in competition in the market at that time with certain of the companies that you were asked about this morning?

A. It was.

Q. Both from its Adrian Plant and its Pittsburg plant?

A. I can't say positively as to that.

Q. As to where the product came from.

A. No sir.

Q. And that was in states other than Michigan and Pennsylvania?

A. Yes, sir.

Q. Do you know of a company called the Spencer Wire Company of Worcester, Massachusetts?

A. I do.

Q. What was the business of that company?

A. Plain wire, so far as I know.

Q. Was that company in competition in the market with certain of the companies mentioned this morning, notably the Washburn & Moen Manufacturing Company in the wire busi-

ness? I believe the Washburn & Moen Company had a plant in Worcester also?

A. Yes. I cannot say of my own knowledge anything regarding that except that both the Washburn & Moen Manufacturing Company and the Spencer Wire Company made a similar product in some respects; not entirely, but certain of their products were similar.

Q. Were the products such as would naturally be competitive in the market?

A. Yes, sir.

Q. Do you know of a company called the Prentice Wire Company of Holyoke, Massachusetts?

A. Yes, sir.

Q. What was the business of that company?

A. Plain wire, so far as I know.

Q. Was that company doing business at this time?

A. I think so.

Q. Do you know whether that company was in competition in the market with certain other companies you were asked about this morning?

A. I believe its product was very similar to that of the Spencer Wire Company and to some of the products of the Washburn & Moen Manufacturing Company.

Q. Such products as would naturally be competitive in the market?

A. Yes, sir.

Q. You know, of course, of a company known as the John A. Roebling's Sons Company, of Trenton, N. J.?

A. Yes, sir.

Q. That is a very important and large institution, is it not?

A. It is.

Q. What do they make?

A. Rods, plain wire, and at one time, at any rate, barbed wire and many other things that I am not sure about.

By Mr. Lindabury:

Q. Do they not make woven wire?

A. I think so, but I am not sure.

By Mr. Severance:

Q. At the time concerning which you were asked this morning, was that company a competitor of certain of the companies about which you were asked?

A. It was.

Q. In the class of products which you have described?

A. Yes, sir; some of them, at any rate.

Q. Do you know of a company called the Jamesville Barb Wire Company of Jamesville, Wisconsin?

A. Yes, sir.

Q. What was their business?

A. They made barbed wire. What else I am unable to say.

Q. Outside of that you cannot say?

A. I cannot say.

Q. Was their product sold outside of the State of Wisconsin?

A. I could not state positively as to that.

Q. If you do not know, that is all right. You know what they made?

A. I do.

Q. And it was sold in the market?

A. It was sold in the market.

Q. It was presumably made to sell in the market, was it?

Mr. Dickinson: I object to that. The witness says he does not know, and I do not think counsel ought to state facts the witness has not stated.

By Mr. Severance:

Q. Was that commodity of a similar character to the barbed wire made out in Illinois, which was an adjoining state, by some of the companies which you were asked about this morning?

A. It was.

Q. And similar to the product made by the Washburn & Moen Company at their plant in Waukegan, Illinois?

A. Yes, sir.

Q. Do you know of a corporation called the Grand Crossing Tack Company, of Grand Crossing, Illinois?

A. Yes, sir.

Q. What was the nature of the business of that company?

A. They made wire nails and plain wire, at that time, I think; subsequently other products, and perhaps at that time other products. Those two I knew of.

Q. Was the product of that house or plant in competition with that of certain other companies which you were asked about this morning?

A. It was.

Q. Do you know of a company called the Northwestern Barb Wire Company of Rock Falls, Illinois?

A. Yes, sir.

Q. What was the business of that company?

A. Barbed wire. I am not sure of anything else; field fence, I think.

Q. Was that company at that time in competition with certain of the companies you were asked about this morning?

A. Yes, sir.

Q. Do you know of a concern known as the Igoe Brothers, of Brooklyn, New York?

A. Yes, sir.

Q. What was the business of Igoe Brothers?

A. Plain wire and wire nails.

Q. Was that company in competition with certain of the companies you mentioned this morning?

A. Yes, sir.

Q. Do you know of a concern known as the Wright Wire Company of Worcester, Massachusetts?

A. I remember the name, but very little of the company or its operations.

Q. You would not be able to testify with reference to its output?

A. Nothing except I know it made plain wire.

Q. But aside from that you could say nothing about it?

A. I could not say.

Q. Do you know of a company called the Morgan Spring Company of Worcester, Massachusetts?

A. Yes, sir.

Q. Have they a plant at any other place than Worcester, Massachusetts?

A. I believe they have. I think they have a plant in Cleveland.

Q. Cleveland or Youngstown?

A. I would not be certain; in Ohio.

Q. What was the business of that company?

A. I am not familiar with their products.

Q. Do you know of Wickwire Brothers?

A. Yes, sir.

Q. Of Cortlandt, New York?

A. Yes, sir.

Q. What was the business of Wickwire Brothers?

A. At that time it was plain wire and screen cloth—wire screens, known in the trade, I think, as wire cloth.

Q. Was that company in competition with certain of the companies acquired by the American Steel & Wire Company of New Jersey, concerning which you were asked this morning?

A. I do not know.

Q. None of the companies concerning which I have asked you were taken over by the American Steel & Wire Company, were they; none of the businesses?

A. I think not.

Q. Now I wish to ask a few questions relative to these companies which you said were in competition. Did the question of freights, to a very considerable extent, govern the competition in wire products?

A. Cost and the freight governed them exclusively.

Q. That is, you mean the cost of assembling the raw materials, producing the products, and the expense of marketing that product governed?

A. Yes, sir.

Q. Mr. Buell testified this morning—

MR. DICKINSON: We object to your stating what Mr. Buell said.

By MR. SEVERANCE:

Q. Mr. Buell said this morning:

MR. DICKINSON: I object to counsel stating what another witness has previously testified to as incompetent and improper cross examination.

By Mr. Severance:

Q. Mr. Buell stated this morning that he was not aware that the Joliet plant, for instance, sold in the east in competition with the eastern plants. What is your understanding about the ability of the concerns in that region to come down here into the eastern territory, New England and New York State, and sell wire, barbed wire, and wire nails, in competition with the local plants here.

A. I do not think they do it.

Q. You do not think they did it at that time?

A. I do not.

Q. It appeared by your testimony this morning that the St. Louis mill of the Consolidated company was in competition with some of the others as you stated outside of the State of Missouri. Where was the principal market of the St. Louis Mill?

A. In the southwest, from St. Louis, principally.

Q. Was it not a territory which was naturally competitive with the Norton Iron Works of Ashland, and its associated companies?

A. A portion of it was.

Q. You stated this morning with reference to a number of these companies that they were competitors as to a certain portion of their output, in a number of instances, did you not?

A. Yes, sir.

Q. In any of those cases are you able to give the percentage of the output of these various companies that was competitive with any other company?

A. I am not.

Mr. Severance: That is all.

REDIRECT EXAMINATION,

By Mr. Dickinson:

Q. You were asked about the companies being put in the Consolidated property, and whether or not the parties who formed the Consolidated Company controlled these companies. Do you know to what extent these parties who went into the Consolidated Company controlled the subordinate companies previous to that consolidation; that is to say, what proportion of interest they had in these several companies.

A. I cannot state it in percentage, but there were several common owners who dominated all of the companies, who to the best of my recollection owned a majority of the stocks.

Q. That is to say, taking these several companies, they owned a majority of each company that went into the consolidated company?

A. Yes sir.

Q. Who are those parties?

A. The principal ones were J. W. Gates, William Edenborn, Alfred Clifford, John Lambert, and Charles Douglas.

Q. Mr. Edenborn afterwards went into the American Steel & Wire Company of Illinois, did he not?

A. Yes sir.

Q. And afterwards into the American Steel & Wire Company?

A. Yes sir.

Q. And then, afterwards, he became a director of the United States Steel Corporation, did he not?

A. Yes sir.

Q. You were asked about the companies operating under a license. After they got the license and operated under it, did they not compete with each other?

A. Yes sir.

Q. You were asked whether you could give the names of all those companies that went into the American Steel & Wire Company, and you said you could not name them?

A. Yes sir.

Q. Did you mean from memory?

A. Yes sir.

Q. But when they were read over to you by me this morning, you recognized them?

A. Practically all of them.

Q. And your statement as to them was correct, when your attention was called to the names?

A. Yes.

Q. Do you know the extent of the output in any particular product of the Norton Iron Works, to which you referred?

A. I do not.

Q. How about the Kelly Iron & Nail Company; do you know anything about the extent of its products?

A. Nothing except that it was large.

Q. What do you mean by large; what would you estimate?

A. The rod mills built in those times turned out a pretty respectable product.

Q. And they had a rod mill?

A. They had a rod mill, and I know the product was reasonably large.

Q. What did that company, the Kelly Iron Company, make?

A. I speak of those three companies together; I cannot separate them.

Q. You treat them together?

A. I must treat them together.

Q. Were they under common management?

A. That I cannot say. I think they were entirely separate corporations with practically common ownership.

Q. Separate corporations?

A. I think so.

Q. I will call over the companies you have named, and ask you which ones have had wire rod mills. First, the Norton Iron Works; did they have a rod mill?

A. Those three companies grouped had a wire rod mill.

Q. That is, among them, there was one. How about the Dillon-Griswold Company?

A. They had no rod mill.

Q. The Paige Woven Wire Fence Company?

A. I believe they built a rod mill about that time.

Q. About what time do you mean?

A. About the time of the formation of the American Steel and Wire Company of New Jersey.

Q. Can you locate the time any nearer than that?

A. I cannot, no sir.

Q. You do not know whether it was before or after that?

A. I cannot tell whether it was before or after.

Q. The Spencer Wire Mill; did they have a rod mill?

A. No.

Q. The Prentice Wire Company?

A. They did not.

Q. The Roebling Sons Company?

A. They did.

Q. And the one at Jamesville?

A. They did not.

Q. How about the one at Grand Crossings?

A. I am not sure whether they had one at that time or not.

Q. There was another name you called. Was it the Rock Falls?

A. The Northwestern Barb Wire Company.

Q. Did they have a wire rod mill?

A. They did not.

Q. The Igoe Brothers, of Brooklyn?

A. They did not.

Q. The Wright Wire Company, of Worcester?

A. No.

Q. The Morgan Spring Company, of Worcester; did they have a rod mill?

A. I do not know.

Q. The Wickwire Brothers of New York; did they have one?

A. I do not know whether they had a rod mill at that time or not.

RECROSS EXAMINATION,

By MR. SEVERANCE:

Q. You said a moment ago that you did not think Dillon and Griswold had a rod mill. Are you not mistaken? Did they not have one, located at Sterling, Illinois, at one time.

MR. DICKINSON: He said he did not know.

MR. SEVERANCE: I think he said they did not have one.

THE WITNESS: I said I did not think they did.

By MR. SEVERANCE:

Q. That is all you know about it?

A. Yes, sir.

Q. As a matter of fact, you would not undertake to say that you have any positive knowledge on the subject?

A. I would not say that they did or that they did not.

SAMUEL J. BAILEY,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

DIRECT EXAMINATION,

By Mr. Dickinson:

Q. Where do you live?

A. New York City.

Q. What is your age?

A. 45.

Q. In what business are you engaged?

A. I am secretary of a heating company.

Q. Mr. Bailey, were you ever associated with or in the employ of the firm of which Mr. E. E. Jackson was the senior member?

A. Yes.

Q. What was the name of that firm?

A. Noble, Jackson and Hubbard.

Q. Where was that firm located?

A. At No. 111 Broadway, and afterwards at 52 William Street.

Q. Do you know whether or not Mr. Jackson acted as supervisor for a number of wire pools?

A. I assume that he did.

Q. How about horseshoe pools?

A. Yes, sir.

Q. How long were you with that firm?

A. Twelve years.

Q. Beginning at what time?

A. Beginning in 1898.

Q. And ending at what time?

A. In January, 1911.

Q. In what capacity were you engaged there?

A. I was an assistant to Mr. Jackson, in taking care of certain of his associations.

Q. Which ones did you take care of?

A. Horseshoe associations.

Q. Did you have charge of the papers in connection with that?

A. Most of them, yes.

Q. Did you carry on any of the correspondence between his office and the various companies connected with that?

A. Yes, sir.

Q. I hand you a paper here and ask you whether or not you can identify that, and if so, please state what it is (handing witness paper).

A. I have looked over this before. It is a copy of the agreement and the rules and regulations.

Q. Have you an original of that?

A. No, sir.

Q. Do you know whether there is an original?

A. No, sir. I cannot recollect what happened at all these meetings, but we assumed that this copy—

MR. LINDABURY: Do not assume anything. Simply testify to what you know.

A. (Continuing) All I know is that the agreement is a copy of the agreement, and the rules and regulations—

By MR. DICKINSON:

Q. And the minutes?

A. That I do not know.

Q. Who kept the minutes?

A. I did.

Q. Mr. Bailey, state when that pool was formed.

MR. LINDABURY: Which pool—the horseshoe pool?

MR. DICKINSON: Yes.

A. In January, 1901.

By MR. DICKINSON:

Q. Were you associated with Mr. Jackson at that time?

A. Yes, sir.

Q. And continued in his firm down to 1911?

A. Yes, sir.

Q. Do you know, or not, when this pool ceased to operate?

A. In 1909.

Q. At what time in 1909?

A. In March or April.

Q. I will ask you, Mr. Bailey, who were the members of that pool?

A. The American Horseshoe Company, the American Steel & Wire Company, the Bryden Horseshoe Company, the Diamond State Steel Company, the Eagle Horseshoe Com-

pany, the Phoenix Horseshoe Company, the Old Dominion Iron & Nail Works Company, the Rhode Island Perkins Horseshoe Company, and the Tredegar Company.

Q. That was the Richmond Concern, was it?

A. Yes.

Q. Rule the first, as you have identified, reads—

MR. LINDABURY: I object. The witness has not identified any rule.

By MR. DICKINSON:

Q. Did you not say that was a true copy of the rule?

A. It is a copy of the rule, yes.

MR. LINDABURY: What?

THE WITNESS: It is a copy of the rule, as I recollect it.

MR. LINDABURY: I misunderstood him.

MR. DICKINSON: You were talking about the minutes. He said he was not able to identify those as being copies of the minutes.

MR. LINDABURY: That is right.

By MR. DICKINSON:

Q. Rule first reads—

MR. LINDABURY: Have it marked for identification.

(The paper referred to has already been marked Government Exhibit No. 2, for identification.)

Q. The first rule reads: "Goods included. This association shall cover all horse and mule shoes, whether made of steel or iron, and sold by the several members of the association (trotting and racing plates not to be included), and all horse and mule shoes sold for export shall be exempt from the association tax hereinafter mentioned, and the price of same shall be optional with the manufacturers upon the conditions set forth in rule 2 hereof."

State whether or not the operation of this association throughout that period applied to the goods described in rule first.

A. Yes.

Q. Rule second reads: "Discounts and prices. All shoes shall be sold delivered. The prices are as follows:

Steel Shoes, carload lots, $3.25 per keg.

Iron shoes, carload lots, $3.50 per keg f. o. b. Vicksburg with all rail tariff rate of freight added.

"Less than carload lots five cents per keg additional; with less than carload, all rail tariff rate of freight to destination added. Less than carload price to apply on direct shipments on account of dealers.

"From these prices a rebate of 15 cents per keg may be allowed on sales or shipments of 2,000 kegs, from January 1, 1901, to December 31, 1901, inclusive of both dates, such rebate to be paid at the end of the period above specified and upon authorization of the supervisor.

"Card of extras as at present in force.

"To Pacific Coast points under schedule of 75 cents per 100 pounds freight, the price shall be 60 cents per keg higher than Pittsburg price. These points are as follows:"—setting out the points.

State whether or not these prices were agreed to by that Association, and whether the different manufacturers bound themselves to adhere to these prices.

MR. LINDABURY: I object.

Q. Did you attend the meetings?

A. Yes, sir.

Q. Then answer the question, if you can.

MR. LINDABURY: I object.

MR. DICKINSON: State the ground of your objection.

MR. LINDABURY: If they bound themselves by signing that rule, or the constitution, the rule and constitution speak for themselves.

MR. DICKINSON: They do not have to sign it, Mr. Lindabury. There are other ways of binding themselves besides signing it.

MR. LINDABURY: One moment. If they bound themselves in some other way you are asking for a conclusion.

MR. DICKINSON: No; I am asking for a fact, if he knows it.

Q. State whether or not those prices were agreed to by the several members of that association.

MR. LINDABURY: I object to that. The proper inquiry is as to what was said. It is a question for the Court whether they

agreed to it or not. What took place is all that it is proper to inquire about.

MR. DICKINSON: Now you have made your objection Mr. Lindabury.

MR. LINDABURY: (Continuing) And not a conclusion.

MR. DICKINSON: Now you have made your objection, let the witness answer.

A. What was the question again, please?

MR. DICKINSON: Read the question, please.

(The question was read by the stenographer as follows:) "Q. State whether or not those prices were agreed to by the several members of that association?"

A. To the best of my recollection they were.

Q. The American Steel & Wire Company was a member of that Association during that period?

A. Yes, sir.

Q. Did or did not its representatives attend these meetings from time to time?

A. Yes, sir.

Q. State where those meetings were usually held, Mr. Bailey?

A. Generally in the office of the supervisor.

Q. Mr. Jackson?

A. Yes.

Q. And how often were they held?

A. About once a month.

Q. What representative or representatives of the American Steel & Wire Company attended those meetings?

A. Mr. Taylor attended them generally.

Q. Was Mr. Baackes ever there?

A. Yes, sir.

Q. Was Mr. Cragin ever there?

A. No sir.

Q. Did you correspond only with Mr. Baackes or Mr. Cragin?

A. I don't think I ever corresponded with Mr. Baackes.

Q. How about Mr. Cragin?

A. No.

Q. You do not recall?

MR. LINDABURY: He does not say he does not recall; he says no, he did not.

By MR. DICKINSON:

Q. How about Mr. Taylor?

A. Yes sir.

Q. I failed to read all of rule 2, and I will continue, Mr. Bailey, although there is part of it I do not care to read unless Mr. Lindabury insists upon it.

MR. LINDABURY: I have no copy here.

MR. DICKINSON: Here it is.

MR. LINDABURY: If you read it unfairly it will operate against you more than it would against us.

MR DICKINSON: Maybe you would like to look over my shoulder and see whether I would do that.

MR. LINDABURY: No, sir; because I know you would not.

MR. DICKINSON: Then I do not think that intimation is quite respectful.

MR. LINDABURY: Pardon me; I had not the slightest thought of intimating that you would.

MR. DICKINSON: You said if I read it unfairly.

MR. LINDABURY: I did not mean to say there was the slightest danger of it. I meant anybody with the slightest sense could be trusted to read it fairly, and undoubtedly anybody of your sense. I did not intend for a moment anything disrespectful.

MR. DICKINSON: I will continue rule 2:

"All horse and mule shoes covered by this association when sold for export, which means to all points outside of the United States, except Porto Rico, Sandwich Islands and Philippine Islands, shall be exempt from the conditions of these rules and regulations upon the following terms: On or before the 15th day of each month each member shall report under oath to the party hereinafter designated as the Supervisor, each sale, stating the name of the buyer, price, terms and amount of each export order filled by him during the preceding month at the same time furnishing duplicate shipping receipts for each such sale, and it is hereby understood that each member is responsible for the actual exporting of such Horse and Mule Shoes, and if any of the said Horse and

Mule Shoes are sold for export and not exported, it shall be regarded as a breach of these rules on the part of the member making or selling said Horse or Mules Shoes in the same manner as if prices had been cut upon a domestic order.

"The Supervisor is to hold all information as to export buyers, prices and terms strictly confidential, except in case of violation of the foregoing provision."

Do you recognize that as a part of rule 2?

A. Yes sir.

Q. State whether or not these reports were made with affidavits from time to time by members of the Association?

A. They were.

Q. In accordance with that rule?

A. Yes.

Q. Rule 12:

"Within seven days after the adoption of these Rules each of the parties hereto shall pay to the Supervisor the sum of One Thousand ($1,000) Dollars to be used for the purposes and in the manner herein provided.

"In addition to the above mentioned deposit each of the parties hereto, on or before the 25th day of each month shall pay to the Supervisors Two (2c.) Cents per keg on their alloted sales of Horse and Mule Shoes covered by these Rules and Regulations for the previous month, commencing January 1, 1901, said fund to be used for the same purpose as the deposit hereinbefore provided for."

Do you or not recognize that as a rule of the Association?

A. Yes sir.

Q. What did allotment mean, Mr. Bailey, under these rules and regulations?

A. The percentage of the total business that each company had, or each member had.

Q. How was that percentage fixed? Who did that?

A. The supervisor.

Q. The supervisor fixed, then, the amount of business that each member of the association could do?

A. He fixed up the percentages at the start of the association, subject of course to the consent of each individual member who accepted his figures.

Q. If they fell below that allotment, what was done?

A. If they fell below it at the end of any one month, at the next settlement they would receive a certain amount per keg for shortage.

Q. Suppose they exceeded the allotment?

A. Then they paid in a certain amount per keg for the over-sales.

Q. Mr. Bailey, please turn to pages 15 and 16, purporting to be the minutes of February 1, 1901, and look up the minutes there, on that date, will you?

A. Yes.

Q. State whether or not that is a record of what took place at that time?

MR. LINDABURY: One moment. I have understood the witness to say——

MR. DICKINSON: The witness said he could not look at that thing as an entirety and say that was a copy of the minutes. Now I am calling his attention to the minutes of the particular date and asking him whether or not that is a correct record of the transaction.

MR. LINDABURY: Very well. This is not the original; it is not something in the witness' handwriting. It is something that purports to be a copy, I take it. Where it came from, or whether he ever saw it before, nobody knows.

By MR. DICKINSON:

Q. Have you seen that before or not?

A. I saw it this morning.

Q. Did you see it before that?

A. No.

Q. Have you read what I have called your attention to?

A. Yes sir.

MR. LINDABURY: I object. He cannot use that except to refresh his recollection.

MR. DICKINSON: I am asking him to read that through and state whether that records what was done at that time.

MR. LINDABURY: I object to eliciting testimony in that way. That is leading of the worst kind. The witness cannot, under the rules, use that to refresh his recollection, because he did not make it.

MR. DICKINSON: He said he was the secretary.

Q. Did you not?
A. Yes.

MR. LINDABURY: I mean he did not make that copy.

MR. DICKINSON: That may be, but he made the record of these minutes.

Q. Now, if you can read that, and state whether or not that transaction took place, answer the question.

MR. LINDABURY: I object to that.

MR. DICKINSON: State your objection.

MR. LINDABURY: The best evidence of the minute is the original minute itself, the loss of which is not accounted for if it is lost, and not some witness' recollection derived from or stimulated by some copy, made nobody knows by whom, or from nobody knows what.

By MR. DICKINSON:

Q. Mr. Bailey, what became of the original minutes?
A. I don't know, sir.
Q. When did you last see them?
A. I can't recall.
Q. About when?
A. About the time when the Association disbanded.
Q. You were still in the employ of Mr. Jackson then?
A. Yes.
Q. You do not know what became of them?
A. No sir.
Q. You had been the custodian of them?
A. Yes sir.
Q. So far as you know, what became of them?
A. So far as I know they were destroyed.
Q. So far as you know they were destroyed?
A. Yes.
Q. Now, then——

MR. LINDABURY: One moment. I ask leave to cross examine with respect to the loss of the minutes.

MR. DICKINSON: You can do that when I turn the witness over to you.

MR. LINDABURY: No: I have a right to do it now, before

secondary evidence can be admitted upon the theory that they have been lost or destroyed.

MR. DICKINSON: I am perfectly willing to do it, but I think I have a right to proceed with the witness.

MR. LINDABURY: I submit I am within the proper practice.

THE EXAMINER: I think that is the rule.

By MR. LINDABURY:

Q. You did not destroy the minutes?

A. No, sir.

Q. Why did you say you presumed they were destroyed? You had nothing to do with it, did you?

A. No, sir.

Q. And these minutes were not your personal property?

A. No, sir.

Q. They belonged to the Association?

A. Yes, sir.

Q. They were always kept in the office of Mr. Jackson?

A. Yes.

Q. You are not any longer there, I take it, but are engaged elsewhere?

A. Yes, sir.

Q. Have you been asked to make a search for those minutes?

A. No, sir.

Q. (Continuing.) Before coming here to testify?

A. No, sir.

Q. And you have not therefore made any search?

A. No, sir.

Q. You have not made any inquiry at Mr. Jackson's office, or anywhere else?

A. No, sir.

Q. So far as your real knowledge of this goes, then, they may be in existence with Mr. Jackson, or somewhere else, may they not?

A. They might be.

By MR. DICKINSON:

Q. Where is Mr. Jackson?

A. I do not know, sir.

Q. Is he in this country?
A. I do not think he is.
Q. Where do you think he is.

MR. LINDABURY: I object to what the witness thinks as to where he is. Counsel should pursue their search for witnesses outside.

MR. DICKINSON: When you are dealing with witnesses you will find there are different kinds.

MR. LINDABURY: I suppose so. I never saw two just alike.

By MR. DICKINSON:

Q. When did you last see Mr. Jackson?
A. In 1911.
Q. Where did he live?
A. In Brooklyn.
Q. Do you know anything about his whereabouts?
A. No, I do not.
Q. Where were those minutes kept?
A. In the office.
Q. In what place in the office?
A. In the safe.
Q. Who had charge of the safe?
A. The cashier, I suppose.
Q. Did you have access to it?
A. Yes, sir.
Q. Those papers were in your custody, were they?
A. Not in my personal custody.
Q. Whose custody were they in?
A. I should say they were in the custody of the supervisor.
Q. In the custody of the supervisor?
A. Yes, sir.
Q. Did you have actual personal charge of them?
A. I knew more about where they were, possibly. I had more reason to hunt them up, and look them up.
Q. You had more reason to hunt them up?
A. Yes.
Q. And you knew more about where they were than he did?

A. Possibly.

Q. When did you last look for them?

MR. LINDABURY: He said he never looked for them.

A. I never looked for them.

By MR. DICKINSON:

Q. When did you last see them?

A. About the time the organization disbanded.

Q. Did they disappear from your safe?

A. I never had any occasion to look them up.

Q. Did you say a while ago that you thought they disappeared?

A. Yes.

Q. What made you think so?

MR. LINDABURY: He did not say he thought so; he said he assumed.

THE WITNESS: I assumed.

MR. LINDABURY: That is not even presumed.

By MR. DICKINSON:

Q. What made you assume it?

A. Because they were taken—they were out of the safe.

Q. They were out of the safe. Then they were not, when you looked into the safe, in the place where you had usually kept them; they had disappeared from there, had they?

A. That is as I recollect it.

Q. That is as you recollect it?

A. Yes.

Q. You do not know what became of them?

A. No, sir.

Q. Now answer the question.

MR. LINDABURY: I renew my objection; that is, that the loss is not accounted for and that no attempt has been made by the Government to find them. No inquiry appears to have been directed to the place of original deposit or to the original custodian.

MR. DICKINSON: I have made inquiry of the man who was the custodian.

MR. SEVERANCE: He says the supervisor was the custodian.

MR. DICKINSON: They were in his possession.

MR. LINDABURY: The rules you have there show the supervisor was the custodian.

By MR. DICKINSON:

Q. Now I will ask you to read over that minute. Have you read it?

A. Yes, sir.

Q. State whether or not that records what transpired.

A. I cannot say that.

Q. You cannot say it?

A. No.

Q. Now let me look at it. You were the secretary?

A. I was the secretary of the meeting.

Q. Were you the secretary of that meeting?

MR. SEVERANCE: He does not know there was such a meeting.

MR. DICKINSON: Wait a minute. I have shown him there was a meeting.

MR. SEVERANCE: There may have been a meeting.

By MR. DICKINSON:

Q. Were you the secretary of the meeting of the Horse Shoe Manufacturers' Association held at 115 Broadway, February 1, 1901?

MR. LINDABURY: Of your own recollection?

MR. DICKINSON: I object to Counsel interrupting me too much.

MR. LINDABURY: We must look out for the rights of our clients in an examination of this character.

MR. DICKINSON: I think the examination is perfectly proper.

MR. LINDABURY: I do not.

MR. DICKINSON: I think so, and we differ, as we will differ about a good many things.

MR. LINDABURY: I suppose so, if it goes on this way.

MR. DICKINSON: Some things will go this way.

By MR. DICKINSON:

Q. State whether or not you were present at that meeting.

A. I cannot say.

Q. You cannot say whether or not you were present?

A. No.

Q. What is your best recollection on that subject?

MR. LINDABURY: He says he has not any.

MR. DICKINSON: Let him say.

MR. LINDABURY: He has already answered. I object.

By MR. DICKINSON:

Q. Have you any recollection on the subject?

A. Not of any particular meeting, unless—

Q. Were you at a meeting at 115 Broadway, New York, at which were present representatives of the American Horse Shoe Company, the American Steel & Wire Company, the Bryden Horse Shoe Company, the Diamond State Steel Company, the Sideweight Horse Shoe Company, the Old Dominion N. & I. Works, the Phoenix Horse Shoe Company, the R. I. Perkins Company, the Tredegar Company and the Eagle Horse Shoe Company, at which meeting the executive committee recommended that the prices to be adopted for steel shoes be $3.25 base f. o. b. Pittsburg, iron shoes $3.50 base f. o. b. Pittsburg. Were you at any such meeting?

A. I do not recall.

Q. You do not recall whether you were at any such meeting as that?

A. No, sir; I do not.

Q. Do you mean to say you do not remember?

A. No, sir; that would be away back when—1901?

Q. In 1901. Were you at any meeting of this association at any time, at any place, where they agreed upon the prices at which shoes should be sold?

MR. LINDABURY: I object to that. It is asking for a conclusion and not for what transpired.

MR. DICKINSON: I would like to know if they agreed, if that is not what transpired. Now, answer the question.

A. I have been at some meeting where prices were agreed upon.

By Mr. Dickinson:

Q. Then you have been at meetings of that association where prices were fixed?

A. Yes, sir.

Q. By the members of the association?

A. Yes, sir.

Q. At which meeting the American Steel & Wire Company was represented.

A. That I cannot say.

Q. Was Mr. Taylor there?

A. That I cannot say.

Q. Can you say whether or not you were throughout the life of that association at any meeting of that association, where prices were fixed, at which the American Steel & Wire Company was represented?

A. I would have to fall back on my recollection, and not make it as an absolute statement. I presume there were some meetings.

Q. What is that?

A. I presume—

Q. I am not asking for presumption.

Mr. Lindabury: I shall move that that be stricken out. I do not want the witness's presumption.

Mr. Dickinson: I do not want it either. I do not want anything like that.

By Mr. Dickinson:

Q. I ask you the positive question whether or not you were at any meeting of this association when the American Steel & Wire Company was represented at which prices were fixed.

A. To the best of my recollection, yes.

Q. Were you at any meeting of this association at which it was agreed that the supervisor should be authorized to make an agreement with the Standard Horse Shoe Company for the control of their plant upon one of the two following terms: First; for the purchase of machines now owned by the Standard Horse Shoe Company at a cost not exceeding $3,500, under agreement that the Standard Horse Shoe Company should not engage in the horse shoe business during the

life of this agreement: second; an arrangement under which the Standard Horse Shoe Company's machines shall remain idle during the life of this association in return for a monthly payment on the basis of not to exceed $350 per month and under such conditions as the supervisor may consider wise.

MR. LINDABURY: Do not answer yet. That is objected to as calling not for the witness's recollection of what took place, but for his conclusion as to the effect of what was actually done.

MR. DICKINSON: I am calling for his recollection, whether or not he was at a meeting at which such a transaction as that took place.

MR. LINDABURY: Well, if you know.

MR. DICKINSON: Answer the question, will you?

A. Yes.

By MR. DICKINSON:

Q. You were?

A. I meant yes, I would answer. To the best of my recollection; yes.

MR. LINDABURY: To the best of his recollection does not seem just what we should have.

MR. DICKINSON: I think everybody swears to the best of his recollection.

MR. LINDABURY: If he means that he has any recollection.

By MR. DICKINSON:

Q. You believe you were?

A. Yes.

MR. LINDABURY: You have a recollection of that?

THE WITNESS: Yes.

By MR. DICKINSON:

Q. I hand you a letter of May 14, 1903, addressed to the Bryden Horse Shoe Company, signed E. E. Jackson, Jr., supervisor, by Samuel J. Bailey, and ask you whether or not you can identify that letter as having been signed by you and sent to the Bryden Horseshoe Company.

A. (After examining letter.) Yes.

MR. DICKINSON: Let that be marked.

MR. LINDABURY: I object to that. It is not a letter written to the American Steel & Wire Company or by it and is not evidential against it.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit 14, May 7, 1912.")

By MR. DICKINSON:

Q. The Bryden Horse Shoe Company was a memeber of this Association, was it not?

A. Yes, sir.

Q. You were acting for the supervisor of the Association?

A. Yes, sir.

Q. And the American Steel & Wire Company was a member of it?

A. Yes.

Q. This letter was written in due course of business in carrying on that association?

A. Yes, sir.

MR. DICKINSON: I will read the letter:

"NEW YORK, May 14, 1903.

"BRYDEN HORSE SHOE COMPANY,
"Catasauqua, Pa.

"GENTLEMEN:

"IN RE GOVERNMENT BIDS.

"Referring to the Government inquiry for #2, 3 and 4 Steel Horse Shoes and 1, 2 and 3 Mule Shoes for delivery at Jeffersonville, beg to say that I have authorized in this case the American Steel & Wire Company to make the lowest bid. If you desire to put in figures you may bid as follows:

"Nos. 2, 3 and 4	Steel Horse Shoes,	.....	$3.51	per keg
" 1	" Mule shoes	.....	3.75	" "
" 1,	Iron Mule Shoes	.....	4.00	" "
" 2 & 3	Steel " "	.....	3.51	" "
" "	Iron " "	.....	3.75	" "

"These are to be the delivered prices at Jeffersonville, and are not subject to any further discount or rebate. This order has been given out in accordance with the resolution recently passed regarding Government business.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor.
"Per SAM'L J. BAILEY."

By MR. DICKINSON:

Q. What was that resolution, Mr. Bailey?

A. That the prices on Government bids should be made by the supervisor and the business divided among the members, those who cared to put in bids, and proportioned, so as to keep their part of it, according to their percentage in the pool.

Q. And there would be only one bid made to the Government.

A. No; several bids.

Q. But the one that was to get it was fixed?

A. Yes.

Q. That was fixed by the Supervisor?

A. Yes.

Q. And the others had no chance of getting it, under the price fixed.

A. That I do not know.

MR. LINDABURY: One man's reputation is sometimes so much better than another's that he perhaps has a chance even although he does not bid the lowest.

By MR. DICKINSON:

Q. They were instructed to bid at a higher price than the one selected to get the bid.

A. A difference of one or two cents.

Q. A difference of one or two cents; but there had been the lowest bid selected, and the others were instructed to bid higher than the lowest bid?

A. Yes, sir.

Q. And then they were to divide out the contract?

A. No.

Q. I thought I understood you to say that.

A. No, sir.

Q. What did you say about that?

A. It was arranged so we would give to the members the lowest bid in certain cases, so that at the end of the year each member would have had about his share of Government business.

Q. But in each particular case the bidder was designated?

A. Yes, sir.

Q. Here is a letter of May 29th, 1906, addressed to the Bryden Horseshoe Company and signed by you. This is a copy of a letter. Do you identify that?

A. (After examination.) Yes.

(The paper so identified was thereupon offered in evidence and marked "Government's Exhibit Bailey No. 15.")

Mr. Dickinson read the letter as follows:

"New York, May 29, 1906.
5/30 8 a. m.

"No. 682.

"BRYDEN H. S. Co.,
"Catasauqua, Pa.

"GENTLEMEN:

"I am advised that the Isthmian Canal Commission are asking for bids for 40 kegs of Horse Shoes, 60 kegs of Mule Shoes and 20 kegs of Pony Shoes for delivery at either New York City, New Orleans, La., or f. o. b. Colon, R. P.

"Inasmuch as this comes under the head of Government business, kindly note you may bid as follows:

"Horse shoes, steel, base, New York delivery $3.33 per keg.
" " " " New Orleans " $3.45 " "
"Mule shoes, steel, base, New York delivery $3.33 per keg.
" " " " New Orleans " $3.45 " "
"Pony shoes, steel, No. O & No. OO New York delivery, $4.31 per keg.
" " " " " New Orleans delivery, $4.45 per keg.

"Please note the price on the Horse and Mule Shoes are for base sizes and are subject to the regular extras for sizes which are to be added in making the bids.

"In figuring the price on Pony Shoes, I have used the price of Flat Heeled Broncho No. O, and No. OO, which includes the extra. If there is any objection to this price on pony shoes, kindly advise before making bid.

In reference to Colon, R. P. delivered, would state that if members desire to bid for delivery at that point, the delivered price to New York is to be used, plus $5.00 per ton of 40 cubic feet, or 2,000 pounds, the Pacific Mail Steamship Company rate from New York City to Colon, which is to be added to the New York City delivered price.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor,
"Per SAM'L. J. BAILEY."

By MR. DICKINSON:

Q. I notice this is numbered 682. State whether or not that was a circular letter sent out to all the members of the Association?

A. I think it was.

Q. I will ask you to examine that and see if you can identify it (handing witness another letter).

A. (After examination.) Yes, that letter is signed by Mr. Jackson:

Q. Do you know the signature?

A. Yes sir.

Q. How about the sheet attached to it?

A. It is a copy of something.

MR. LINDABURY: Let me see that. What is that attached to this letter?

A. It is a copy of a letter.

By MR. DICKINSON:

Q. Of a reply to the other letter?

MR. LINDABURY: How would he know that?

MR. DICKINSON: I am just asking if he knows.

A. I do not know.

MR. DICKINSON: I ask that this be marked.

MR. LINDABURY: Let me see it, please, first.

(The letter, with the paper attached thereto, was examined by Mr. Lindabury.)

MR. LINDABURY: We desire to object to this letter, if you are proposing to offer it, on the ground that it is irrelevant and not evidential as against the American Steel & Wire Company. But we will agree that the copy annexed to the copy of the letter from Mr. Jackson to the Bryden Horseshoe Company, of February 11, 1903, was written to him by the Bryden Horseshoe Company; in other words, that it is a copy.

(The papers so identified were thereupon offered in evidence and marked Government's Exhibit Bailey 16, and Government's Exhibit Bailey 16-a.)

MR. DICKINSON: I will read this.

MR. DICKINSON read the letter referred to, with the attached paper, as follows:

"NEW YORK CITY, Feb. 11, 1903.

"BRYDEN HORSE SHOE COMPANY,
"Catasauqua, Pa. Received 2/12/03.
"GENTLEMEN: Answered.....

"RE SHIPMENTS TO PHILIPPINES.

"It was yesterday reported to me that you have recently made statement in New York that you considered Horse Shoes to be sent to the Philippine Islands as export business and would quote export price thereon.

"As I stated to Mr. Williams and Mr. Holton when we had our last discussion about similar order which you took for the Government, all Government business is considered as domestic and price thereon must be obtained from this office and due report made thereof to the pool.

"I think I have treated you very liberally in the last matter of this kind that came up, but cannot do so in the future.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor."

"February 13th, 1903.

"Mr. E. E. Jackson, Jr., (Supervisor),
"No. 115 Broadway,
"New York City.

"Dear Sir:

"We acknowledge receipt of your favor of February 11th.

"SHIPMENTS TO THE PHILIPPINES.

"We fully understand the rulings of the Association regarding shipments to the Philippines, and we have no intention of deviating from the same.

"Yours truly,
"Bryden Horse Shoe Company."

Dict. G. E. H."

By Mr. Dickinson:

Q. I hand you these papers and ask you if you identify them (handing witness papers).

A. (After examination) Yes.

Mr. Lindabury: I object to all these, for the reasons given Please note my objection in every case.

(The papers referred to and thus identified were thereupon offered in evidence and marked "Government Exhibit Bailey 17" and "Government Exhibit, Bailey 18.")

By Mr. Dickinson:

Q. Identify those papers, if you can (handing witness other papers).

A. (After examination) Two of those letters are signed by me, which I can identify. One is a circular letter, with very little more that a printed signature.

Q. You identify them, do you?

Mr. Lindabury: Ask him if he does.

Mr. Dickinson: I am asking him if he does

A. This one is signed by Mr. Jackson, I know the signature. (Indicating).

By MR. DICKINSON:

Q. You know that signature?

A. Yes, I know that signature.

Q. You identify all except one?

A. Except that circular letter.

Q. You identify those that are signed by you or by Mr. Jackson?

A. Yes, sir.

MR. REED: Who was McAfee?

THE WITNESS: He was a stenographer who worked for me. Sometimes, perhaps in my absence, he might sign letters, and he may have signed that letter. I know the signature.

Q. You identify that? (Showing witness Government Exhibit 23)?

A. Yes.

Q. And you identify that? (Showing witness Government Exihibt No. 24).

A. Yes, sir.

Q. I will read this (Government Exhibit No. 23).

"NEW YORK, November 15, 1907.

"BRYDEN HORSE SHOE CO.,
"Catasauqua, Pa.

"GENTLEMEN:

"I understand that the Government, Quartermaster's Department, are requesting bids on 770 kegs of Horse Shoes and 330 kegs of Mule Shoes, destined for Manila, for delivery at Jeffersonville, Ind., bids opened December 12th.

"I call special attention to this as it may be that the order might come to you through some jobber at export prices on account of the Shoes going to Manila.

"Please be careful, therefore, and see that export prices are not quoted, to any jobber on these orders in case inquiry is made.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor.
"Per Sam'l J. Bailey."

What would have been the effect of quoting export prices? Was that a lower or a higher price than the domestic price?

A. I do not know as to export prices.

Q. Were those prices open to competition or not,—the export prices?

A. Yes, sir.

Q. And the others were fixed by agreement?

A. Yes, sir.

MR. LINDABURY: They were, then, undoubtedly lower.

By MR. DICKINSON:

Q. (Reading Exhibit No. 24).

"NEW YORK, Oct. 29, 1903.

"BRYDEN HORSE SHOE COMPANY,
"Catasauqua, Pa.

"GENTLEMEN:

"IN RE GOVERNMENT BID.

"Under resolution adopted January 9th, 1903, I have been asked to make a price on the following Government specifications:

"100 kegs No. 2 Front and Hind Steel Horse Shoes.
"100 kegs No. 3 Front and Hind Steel Horse Shoes
"25 kegs No. 3 Mule Shoes.
"10 kegs No. 4 Mule Shoes.

"I also understand that the Mule Shoes are to be of steel.
"These Shoes to be delivered at New York.
"In accordance with the resolution, I therefore, authorize

you to big $3.47-1 2 per keg, delivered, on the above Shoes, they all being base sizes.

"The Diamond State Steel Company have been authorized to bid the lowest figure.

Yours very truly,

"E. E. JACKSON, JR., Supervisor.

"Per Sam'l J. Bailey."

MR. LINDABURY: Upon what principle do you read some letters and not others?

MR. COLTON: Would you like to have them all read, Mr. Lindabury?

MR. DICKINSON: I am trying to save time by not reading some of them.

MR. SEVERANCE: You would save more time by not reading any of them. (Laughter.)

MR. DICKINSON: We do not want to save all of the time.

You may take the witness, gentlemen.

CROSS-EXAMINATION.

By MR. REED:

Q. Do you remember the market prices of horseshoes in December, 1900, just before this pool was formed?

A. No sir; I do not.

Q. Can you tell us, generally, how they compare with the price fixed by the pool?

A. My recollection is that they were just about the same as that first price.

Q. The pool did not raise the prices, then, on its formation?

I do not recall exactly what the prices were before its formation.

Q. You have told us that the pool was formed in January, 1901?

A. Yes sir.

Q. You are positive as to the date?

A. Yes sir.

Q. And it was dissolved in March or April, 1909?

A. Yes sir.

Q. What was the occasion for its dissolution?

A. The withdrawal of the American Steel & Wire Company.

Q. How long did the pool last after that withdrawal?

A. About a minute.

Q. Was it continued in any way after that?

A. Not to my knowledge.

Q. Did the members of the former pool continue to meet after the pool had dissolved?

A. Not to my knowledge.

Q. Did Mr. Jackson or yourself have any business connection with the members of the pool in connection with the horse shoe business after 1909?

A. I did not. To the best of my knowledge Mr. Jackson did not.

Q. As far as you know Mr. Jackson did not?

A. No sir.

Q. What was your position with the firm of Noble, Jackson & Hubbard?

A. I was there as an assistant to Mr. Jackson.

Q. When was the last meeting at Mr. Jackson's office of this horse shoe pool?

A. That I do not know exactly. Probably at the time that it was dissolved.

Q. Were all of the manufacturers of horseshoes in the pool?

A. All in the United States?

Q. All in the United States, yes.

A. No sir.

Q. What important manufacturer of horse shoes can you name who was not in the pool

A. The Burden Iron Company, of Troy.

Q. They had their plant in Troy?

A. Yes sir.

Q. What percentage of output of horse shoes in the United States, if you know, did the Burden Iron Company produce?

A. I do not know definitely.

Q. Can you tell us approximately?

A. From the information that we had—I do not know how reliable it was—I should say they produced from 20 to 25 per cent.

Q. Were they in the pool at any time during its existence?

A. No.

Q. Were they in competition with the members of the pool?

A. They were.

Q. At all times?

A. At all times.

Q. Were the members of the pool in competition with one another in any way?

A. Why, they were all fighting for business.

Q. Did they have their agents in the field soliciting business?

A. Yes.

Q. The pool did not allow them to compete by cutting the price, I believe?

A. No.

Q. But in other respects could they compete?

A. They did.

Q. In matters of quality and delivery did they compete?

A. Yes.

Q. Was there any division of territory by agreement among the members of this pool?

A. None.

Q. All of them sold and shipped into all parts of the United States, did they?

A. Yes sir.

Q. On these Government orders, how did the prices quoted the Government compare with the prices ruling in the general market?

A. They were lower.

Was that so during the whole time the pool lasted?

A. From the time when that resolution was passed authorizing the bids to be made in that particular way.

Q. That was in 1903, was it not? Do you remember the approximate time?

A. No; I do not.

Q. Was it early in the life of the pool?

A. Yes.

Q. And from that time until its discontinuance the prices

quoted the Government were lower than those quoted to private buyers throughout the country?

A. Yes, sir.

Q. How much lower, Mr. Bailey?

A. I should say from 10 to 15 cents a keg lower.

Q. What was the general attitude of the American Steel & Wire Company or its representatives who were present at these pool meetings toward a raise in the prices? Have you any recollection about that?

A. I shall have to speak entirely from recollection.

Q. That is what we want.

MR. DICKINSON: What is the question?

(The question was read by the Stenographer).

MR. DICKINSON: I object to that is incompetent and irrelevant.

By MR. REED:

Q. Answer the question.

A. To the best of my recollection, the American Steel & Wire Company were not in favor of what might be called the high prices.

Q. Were you present at many of the meetings of the horse shoe pool?

A. Yes.

Q. So far as you are aware, or so far as you remember, was there anything to show that the participation of the American Steel & Wire Company in that pool was known to the executive officers of the United States Steel Corporation?

MR. DICKINSON: I except to that as irrelevant and incompetent.

By MR. REED:

Q. Will you answer the question, please?

A. I have no knowledge on that subject at all.

Q. Do you know anything to indicate that the executive officers, or any of them, of the Steel Corporation were acquainted with the participation of the Steel & Wire Company in the pool?

A. I do not know.

Q. Did you ever meet any of them in connection with it?

A. No.

Q. So far as you knew, did any of them ever attend any of the meetings of the pool?

A. Any of the——

Q. Any of the executive officers of the Steel Corporation?

A. No.

Q. So far as you know, did any of them ever do any act which showed an acquaintance with the fact that this pool was in existence?

A. I do not know anything about that.

Q. Then you do not know of anything that was done?

A. No.

Q. Who made the reports of the exports of these pool members; what officers of the companies?

A. No particular officers that I know of.

Q. Who made them for the American Steel & Wire Company? Do you remember?

A. I do not know. They were sent in to us.

MR. REED: That is all.

REDIRECT EXAMINATION.

By MR. DICKINSON:

Q. You have been asked, Mr. Bailey, something as to the making of prices on the formation of this pool. I will ask you whether or not under the operation of the pool prices were reduced by competition between the members of the pool?

A. The prices of the pool were fixed.

Q. They were fixed?

A. Yes.

Q. And there was no competition between them and no reduction in prices on account of the pool being formed?

A. No.

Q. What was the general object in forming a pool?

MR. LINDABURY: I object to that as calling either for an expert opinion——

MR. DICKINSON: I think he is qualified as an expert.

MR. LINDABURY: Well, I object to that as irrelevant and incompetent.

MR. DICKINSON: All right, object.

MR. LINDABURY (Continuing): And as calling for the conclusion of a witness as to matters not expert.

MR. DICKINSON: Yes; I think he is very expert.

MR. LINDABURY: I say as to matters that are not expert.

MR. DICKINSON: Well, I will not insist on that.

By MR. DICKINSON:

Q. Was its object to lower prices?

A. I do not know.

Q. Would you say that when the American Steel & Wire Company quit, the pool collapsed?

A. Yes.

MR. DICKINSON: You may stand aside.

MR. REED: That is all.

MR. DICKINSON: I suppose it is hardly worth while to start in on another witness?

MR. LINDABURY: I will admit for the purpose of the record that on the 27th day of February, 1898, Judge Gary received from C. H. Coster a letter dated February 26, 1898, directed to Messrs. J. W. Gates and E. H. Gary, a true copy of which follows. I object, however, to its reception, upon the ground that it was never acted upon by either of those gentlemen; that the Steel & Wire Company formed thereafter was not formed in pursuance of that letter, and that it did not at all grow out of the transactions then under contemplation, and that the letter had nothing whatsoever to do with the formation of the American Steel & Wire Company or its predecessor, the American Wire Company of Illinois, or any other corporation a defendant herein or mentioned in the pleadings; and also for the further reason that not one of the corporations referred to and that were organized thereafter was financed by J. P. Morgan & Company in whole or in part.

The letter is as follows:

"February 26th, 1898.

"MESSRS. J. W. GATES and E. H. GARY,
"The Waldorf-Astoria Hotel,
"New York City.

"*Dear Sirs*:

"I have now in my possession, and have carefully considered the reports of the chartered accountants relating to all of the companies whose properties have been offered for sale to a new company proposed to be formed.

"As you have examined the figures relating to the business of most of these companies for the last three years, I need hardly say that I am not only surprised but disappointed with the result, especially for the year 1897. It is perhaps true, as you claim, that the accountants have looked at some questions strictly from a bookkeeper's standpoint, and have been somewhat illiberal in relation to the showing of profits; but in the main I think they have been accurate and fair, and that in no reasonable way could the figures be materially changed. The books most of the companies show a good profit for 1895 and 1896, and some of the companies were very successful in 1897; but the aggregate of the profits for 1897 was surprisingly small in comparison with previous years and with what it was expected.

"In view of the poor showing that is made as a whole for 1897, the proposed investment is not desirable, and outsiders will not be disposed to take it.

"As we have expended a very large sum of money and devoted much time to the business, we are sorry the pr cannot be perfected as we intended; but I feel certain manufacturers will understand it was not our fault.

"Having been brought into close contact with the b ness of these companies, and with many of the leading ma facturers, it may not be out of place to suggest, first, difference between the profit showing of 1897 and previ years is a demonstration that some arrangement where prices can be maintained is absolutely necessary to succe

and secondly, that if the manufacturers will make some arrangement whereby the time named in the contracts which have been given can be extended for a few months, and prices in the meantime maintained so that for the year 1898, or possibly a substantial part of the year, the net earnings will amount to as much as they did in previous years, the proposed arrangement can probably still be carried out on about the plan we have been considering.

"As you know, I have given these matters a great deal of time and it is with the deepest regret that I am obliged at the present time to decline to proceed further.

"Yours very truly,

"C. H. COSTER."

MR. DICKINSON: I suggest we adjourn now, as there are only ten minutes left.

(Whereupon, at 3:50 p. m., the hearing was adjourned until to-morrow, Wednesday, May 8, 1912, at 10:15 o'clock a. m.)

THIRD DAY.

ROOM 210 CUSTOM HOUSE,
NEW YORK CITY,
WEDNESDAY, MAY 8, 1912.

The hearing was resumed at 10:15 o'clock a. m. before Special Examiner Henry P. Brown.

Appearances as heretofore noted.

HARRY A. WHITNEY,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By MR. DICKINSON:

Q. Where do you live?

A. Worcester, Massachusetts.

Q. What is your age?

A. 45.

Q. How long have you lived in Worcester?

A. I should say about thirty-five to thirty-six years.

Q. In what employment were you engaged there in the last few years?

A. I began with the Washburn & Moen Company in January, 1882. I was with them until they were bought out by the American Steel and Wire Company.

Q. Then you went with the American Steel & Wire Company?

A. Yes; and continued with them until about two months ago.

Q. What were your duties during the year 1911, with the American Steel & Wire Company?

A. I was connected with the electrical and wire rope department, as corresponding salesman on wire rope.

Q. State whether or not you had charge of the papers relating to wire rope matters of that company.

A. I did, very largely.

Q. Did you or not have charge of the papers of that company relating to the Wire Rope Pool to which the American Steel & Wire Company was a party?

A. Yes, sir.

Q. State whether or not any papers relating to the American Steel & Wire Company's connection with that pool were turned over to the United States District Attorney in New York for examination in connection with the indictments in respect of that pool.

MR. SEVERANCE: Just a moment. The witness will understand that he is expected to testify only to matters of which he knows personally. He did not personally have anything to do with the turning over of any such papers; he knows nothing about it except by hearsay.

THE WITNESS: We got them for that purpose, I understand.

By MR. DICKINSON:

Q. And your understanding is that they were sent back?

MR. SEVERANCE: I object to any understanding on the part of the witness.

By MR. DICKINSON:

Q. Just tell what you——

MR. SEVERANCE: The question is whether he knows anything about the matter.

By MR. DICKINSON:

Q. State whether or not you got them together and whether or not they were sent.

MR. SEVERANCE: And to whom?

By MR. DICKINSON:

Q. And to whom?

A. I simply know that I was asked to bring into Mr. Cragin's office all my papers relating to the Wire Rope Association, and I did so.

Q. Do you know what became of them then?

A. Mr. Cragin, in the afternoon, asked me——

MR. SEVERANCE: Never mind any conversation with Mr. Cragin, unless he personally had to do with this matter.

MR. DICKINSON: That is a part of the res gestæ in connection with the handling of the papers, and I think it is perfectly competent.

MR. SEVERANCE: I desire to object to any conversation between the witness and Mr. Cragin or any one else. The inquiry is as to whether this witness sent any papers to the United States District Attorney. If he did, he can so state.

MR. DICKINSON: The inquiry is as to whether the witness knows that they were sent.

By MR. DICKINSON:

Q. State what you know about it, Mr. Whitney.

A. I put the papers into a trunk, in Mr. Cragin's office.

Q. Do you know what became of that trunk?

A. No, sir.

Q. Was it sent out of that office or was it returned to you then?

A. I do not know what became of it.

Q. You do not know what became of it at that time?

A. No, sir.

Q. Did it ever come back into your possession?

A. Not to my possession, no, sir.

Q. Did any of these papers ever come back into your possession?

A. Not out of Mr. Cragin's office.

Q. But did those papers that were put by you in that trunk ever, at any time, come back into your possession?

A. All the papers in the trunk came back, in the trunk

Q. To your possession?

A. I cannot say that they came to my possession.

Q. Did you see them?

A. I saw them.

Q. When was that?

A. In October or November.

Q. When was the last time you saw those papers?

A. When they were in the boiler house.

Q. In what boiler house?

A. At the North Works of the American Steel & Wire Company.

Q. What were they doing in the boiler house?

A. The men were putting them into the boilers.

Q. Putting them where?

A. Into the boiler.

Q. Did they boil them?

A. They were putting them under the boiler.

Q. They were putting them into the fire?

A. Yes.

Q. What became of them?

A. They were consumed.

Q. You saw them consumed?

A. Some of them, yes, sir.

Q. At what time was that?

A. In the day.

Q. Tell me what month and about the time of the month.

A. I do not know the date.

Q. State whether or not it was in November.

A. I am not sure whether it was October or November.

Q. Why did you destroy those papers?

A. Because I had instructions to do so.

Q. From whom?

A. From Mr. Baackes.

Q. When was the last time you had any conversation with him about that destruction, previous to the destruction?

A. About that instruction?

Q. In regard to that instruction regarding the destruction of the papers. When was the last conversation you had with him in regard to their destruction, before you destroyed them?

A. I do not know the date.

Q. Do you know the month?

A. I do not think I do. It might have been October; it might have been November.

Q. What is your best recollection on that subject?

A. I cannot say positively. I should think it might have been November.

Q. Which do you think it was,—October or November?

MR. SEVERANCE: The witness says he does not know.

MR. DICKINSON: He says it might have been. I am asking him his recollections as to what it was.

MR. SEVERANCE: He is perfectly frank with you, Judge, and perfectly willing to tell anything he knows.

By MR. DICKINSON:

Q. I will ask you whether or not Mr. Baackes made a visit to Worcester in November, just previous to the destruction of those papers.

A. I do not know whether it was in November or not. I destroyed them soon after he was there.

Q. You destroyed them after he was there?

A. Yes, sir.

Q. State what Mr. Baackes said to you in regard to the destruction of the papers.

MR. SEVERANCE: I object to that as immaterial. The only possible purpose of this examination, I asume, is to lay a foundation for secondary evidence as to the contents of those papers; and the witness has already developed the fact that he destroyed all the papers relating to these pools. That is all the Government is entitled to.

By MR. DICKINSON:

Q. State what instructions were given to you by Mr. Baackes in that conversation?

A. Mr. Baackes said, "Harry, I want you personally to see that the contents of that trunk are destroyed."

Q. And he said that on the occasion of his visit to Worcester?

A. Yes.

Q. And that was either in October or November?

A. Yes, sir; I think so.

Q. If it was in October, what part of October?

MR. SEVERANCE: I object to that. The witness has stated over and over again, with perfect frankness, that he destroyed the papers in October or November and does not know which.

MR. DICKINSON: I am trying to get him to state, if it was in October, what part of October it was, whether the latter part or not.

MR. SEVERANCE: He has repeatedly stated that he does not know that it was in October.

MR. DICKINSON: I think we will get along better if you will simply make your exceptions.

MR. SEVERANCE: I am making them; I am making my objections.

MR. DICKINSON: I will ask the witness to answer that question.

A. I really do not know.

Q. You do not know whether it was in the first part or the latter part of October?

MR. SEVERANCE: I object to that as an unfair question, in view of the fact that the witness says he does not know whether it was in October at all; that it was either in October or November. That is what he said.

By MR. DICKINSON:

Q. You say it was October or November?

A. I think so. I do not recollect.

Q. And if it was in October, was it in the first part or the latter part of October?

MR. SEVERANCE: I object to that as purely speculative and guesswork, as the witness states he does not know that it was in October.

THE WITNESS: I am unable to say when it was.

By MR. DICKINSON:

Q. You say now you do not know whether it was before the middle of October or not?

A. I am not positive.

Q. What is your best recollection on that?

A. Well, I simply guess, if I should guess, that it was early in November.

Q. You say now that you think it was early in November?

A. I am simply guessing.

MR. SEVERANCE: He says he is not sure.

By Mr. Dickinson:

Q. What is your best recollection as to the time when those papers were destroyed; was it in October or November?

Mr. Severance: Objected to as a repetition of a question already answered; a question which has been answered by the witness over and over again with perfect frankness.

Mr. Dickinson: I have a perfect right, in the case of a witness who has been engaged in a matter of this sort, to thoroughly assist him from the standpoint that he is a hostile witness.

Mr. Severance: Well, you have assisted him pretty thoroughly, I think. He does not act at all hostile. He has a friendly attitude.

By Mr. Dickinson:

Q. According to the best of your recollection, when were those papers destroyed?

A. I cannot say. I simply cannot say. I do not know.

Q. You do not know whether it was in the first part of October or the last part of October?

A. No, sir; I do not.

Q. Or whether it was in October or November?

A. No, sir; I cannot tell as to the time.

Q. But you know it was shortly after the occasion of the visit of Mr. Baackes there?

A. I believe it was.

Q. Which was either in October or November?

A. I believe so.

Q. That much you are positive about?

A. I do not see any reason why I should not have done it shortly after he gave me the instructions.

Q. And he gave you the instructions in Worcester, upon the occasion of his visit there, either in October or November?

A. Yes, sir.

Q. Did you examine those papers before you destroyed them?

A. Mr. Cragin asked me——

Q. I asked you if you examined them?

A. I examined my own papers, yes.

Q. Did you examine those papers that were returned to you in that trunk, and the papers which you destroyed?

A. I examined the Wire Rope Association papers, yes, sir.

Q. And those were the Wire Rope Association papers?

A. Yes, sir.

Q. Were there any other papers there except the Wire Rope papers?

A. Yes, sir.

Q. There were?

A. Yes, sir.

Q. What other papers?

A. Relating to electric wire.

Q. And they were destroyed also?

A. Yes, sir.

Q. What was the electric wire; was that a pool also?

A. A number of pools.

Q. A number of pools?

A. So I understood.

Q. And a part of the contents of this trunk related to the wire rope, and a part to an electric wire pool?

A. Yes, sir.

Q. What examination did you make of those papers when you destroyed them?

A. I took them out on the floor, one by one, and when I came to one of my own wire rope books or packages of papers I either looked into it or knew practically what the contents of the package or book were.

Q. How many papers were in that trunk?

A. I do not know.

Q. Were there hundreds or thousands?

A. Individual papers, probably thousands.

Q. Probably thousands of papers there, then, relating to the wire rope and to the electric pools that were destroyed?

A. Yes, sir.

Q. How long did you take to examine the contents before you destroyed them; how much time did you devote to it?

A. I do not think I was more than fifteen minutes.

Q. And you made an examination of about fifteen minutes and then destroyed all of them?

A. Yes, sir.

Q. What was the character of the papers relating to the Wire Rope? You said you had those in charge. State generally what those papers were?

A. I used to keep the Wire Rope agreements, which were usually printed by a printer the first of each year, in a book, which had a gummed back, a stub back, and on the succeeding stubs I would paste the minutes of the meetings as I received them.

Q. What did those minutes show?

A. What had been done at the meetings.

Q. And they were placed in this book along with the printed agreement?

A. Yes, sir.

Q. And were the rules and regulations in there also?

A. Yes, sir.

Q. Did you destroy them?

A. Yes, sir.

Q. As to the other papers, were they or not the correspondence relating to the operations of these pools?

A. Yes, sir; there was correspondence.

Q. A great many letters?

A. Yes.

Q. Relating to the operation of the pools?

A. Yes, sir.

Q. Were you or not familiar with the character of that agreement and the rules and regulations?

A. Yes, sir.

Q. And the minutes?

A. Yes, sir.

Q. And the operations under the agreement and the rules and regulations?

A. Yes, sir.

Q. State whether or not there was a supervisor of this Wire Rope Pool?

A. Yes, sir.

Q. Who was the supervisor?

A. Mr. E. E. Jackson.

Q. Before you destroyed those papers, if you said anything in this conversation with Mr. Baackes in regard to

responsibility for their destruction, state what you said and what he said.

A. Mr. Cragin said——

MR. SEVERANCE: One moment. I object to that.

MR. DICKINSON: Mr. Cragin or Mr. Baackes?

MR. SEVERANCE: I object to that as irrelevant and immaterial. You may go ahead and answer; I have noted my objection.

A. Mr. Cragin, after I received my instructions, said, "I don't think Mr. Baackes would object to your keeping any papers which you want." And as I had charge of papers and had usually been asked for any papers that might be wanted, I said to Mr. Baackes, "I hope I will not be asked for any of these papers."

By MR. DICKINSON:

Q. What did he say?

A. He said, "If you are asked you can say that I told you to destroy them," as I remember the conversation.

Q. State whether or not that pooling agreement, or the rules and regulations provided for allotments among the various members of the pool?

A. It did a long time ago.

Q. It did for a long time——

MR. SEVERANCE: Do not misstate what he said.

By MR. DICKINSON:

Q. You say it did a long time ago. Up to what time?

A. I would say up to six or eight years ago.

Q. When was that pool formed?

MR. SEVERANCE: Which one are you speaking about?

MR. DICKINSON: The Wire Rope Pool. That is the one of which he said he had the papers.

A. I do not know whether it operated as a pool when it was formed or not, but——

By Mr. Dickinson:

Q. When did your knowledge that it was operated as a pool begin?

A. I do not know.

Q. Well, when did it operate as an agreement to which the American Steel & Wire Company was a party, and when Mr. Jackson acted as Supervisor?

Mr. Severance: I object to that as asking for a conclusion.

Mr. Dickinson: I am asking if he knows.

By Mr. Dickinson:

Q. You said Mr. Jackson was the supervisor, did you not?

A. Yes, sir.

Mr. Severance: But the form of the question asked for a conclusion.

By Mr. Dickinson:

Q. You had the correspondence of Mr. Jackson, did you?

A. It was in the trunk; yes, sir.

Q. During what period of time, to your knowledge, was that an agreement to which the American Steel & Wire Company was a party?

A. I think from the time they bought out Washburn & Moen.

Q. Up to what time?

A. I should say about 1909.

Q. State whether, at any time during that period and after 1901, the operations under it provided for allotments of output among the various members of that pool.

Mr. Severance: I do not think that question, the way it is put, is susceptible of an answer. I do not think you intended to put the question just as you did.

Mr. Dickinson: Well, let the stenographer read the question.

The stenographer read the question as follows:

"Q. State whether, at any time during that period and after 1901, the operations under it provided for allotments of output among the various members of that pool."

MR. DICKINSON: I think that is satisfactory to me. (Addressing the witness.) Can you answer that?

MR. SEVERANCE: May I suggest that the question——

MR. DICKINSON: (Interposing.) You can except to the question, if you want to.

MR. SEVERANCE: I think perhaps I will if you will allow me to do so. I except to the question on the ground that it is meaningless.

By MR. DICKINSON:

Q. Do you understand the question?

A. No, sir; I do not.

Q. I will put it in another form. After 1901 and at any period between that and 1909 was that pool operated upon the basis of allotments of output among the various companies in the pool?

A. It may have been for two or three years.

Q. To the best of your recollection, was it or not?

A. I think it was.

Q. State whether or not, after 1901 and between that and 1909, the members of that pool and Mr. Jackson, acting for them, fixed the prices binding the pool members?

MR. SEVERANCE: I object to that as asking for a conclusion. The witness cannot say whether it bound the members or not. He can state, perhaps, whether or not Mr. Jackson fixed prices, if he knows.

MR. DICKINSON: The witness states that he knows the agreements and the rules and regulations that have been destroyed by him. Now I am asking as to provisions of those rules and regulations in respect of fixing the prices, and I understood him to say that they did fix the prices.

MR. SEVERANCE: I do not think you have asked him for a statement as to what the rules and regulations contain. You asked the question in an entirely different form.

MR. DICKINSON: I am asking as to the rules and regulations; what they did as to the operation of the pool; whether or not they agreed about prices among themselves at which the products should be sold.

MR. SEVERANCE: Just a moment. I object to that question, on the ground that it does not appear that the witness

was ever present at any meeting, and therefore he could not know as to what was agreed at the meetings. The question is not confined to a statement of the contents of the rules.

By MR. DICKINSON:

Q. Do you know the operations under that rule?

A. I know how they affected the American Steel & Wire Company.

Q. Do you know whether or not, as affecting the American Steel & Wire Company, the members of the pool, during the period I have specified, agreed to prices of the products sold by them severally?

MR. SEVERANCE: That question, it seems to me, is objectionable in form.

By MR. DICKINSON:

Q. Do you understand the question?

A. I understand it, but I do not know that they positively agreed.

Q. Do you know whether the American Steel & Wire Company, during that time, sold its products according to prices fixed by that association?

A. I do not know that they sold all of them that way.

Q. Did they sell any of them that way?

A. Yes, sir.

Q. How long did the Wire Rope Association continue?

A. It continued from the time that I knew it began——

Q. I mean how late? Down to what period did it continue?

MR. SEVERANCE: He has already answered that.

A. As an association, I think it was about 1909, the last agreement that I remember seeing.

Q. It discontinued as an association in 1909?

A. Yes, sir.

Q. State whether or not after it ended as an association, the same prices were commonly quoted by those who had previously been members of that association.

A. The American Steel & Wire Company continued to quote the same prices. I do not know about the others.

Q. The same prices?

A. Yes, sir.

Q. You say the American Steel & Wire Company continued to quote the prices that the association had previously quoted?

A. I think so, yes, sir.

Q. How about the other members of the association?

A. I do not know.

Q. You do not know what prices they quoted?

A. No, sir.

MR. DICKINSON: You may take the witness.

CROSS-EXAMINATION.

By MR. BOLLING:

Q. Mr. Whitney, you are not now in the employ of the American Steel & Wire Company, are you?

A. No, sir.

Q. When did you resign?

A. March 13th.

MR. LINDABURY: Of the present year?

THE WITNESS: The present year; yes, sir.

By MR. BOLLING:

Q. In whose employ are you?

A. I have recently accepted a position with the Graton & Knight Manufacturing Company of Worcester, Massachusetts.

Q. That concern, so far as you know, has no connection with the American Steel & Wire Company, has it?

A. No sir.

Q. Or with the United States Steel Corporation?

A. No, sir.

Q. I understood you to say just now that after the Wire Rope Pool was abandoned, the American Steel & Wire Company continued to quote the same prices which it had quoted before?

A. Yes, sir.

Q. Do you know how long that continued?

A. I do not.

Q. Do you know whether prices were subsequently changed?

A. The price schedule book prices were not changed, I believe.

Q. Do you know whether or not they, in all cases, adhered to that schedule?

A. The American Steel & Wire Company did not in all cases adhere to it.

Q. Did you say, Mr. Whitney, that you knew it was after the visit of Mr. Baackes to Worcester that you destroyed these papers, or merely that you believed that such was the case?

A. It was after I received the instructions which I say were given to me in Worcester; yes.

Q. Have you any recollection definitely as to whether or not it was after his visit to Worcester, or is it just a matter of inference?

A. Oh, it must have been after his visit to Worcester.

Q. Is that your inference or your recollection?

A. I could not have destroyed them before I got the instructions.

Q. Have you any distinct recollection on the question?

A. As to how long it was?

Q. No, whether it was shortly after the visit of Mr. Baackes to Worcester, or is that merely the inference that you draw?

A. I believe it; I believe it was shortly after that.

Q. How often was Mr. Baackes acustomed to come to Worcester?

A. Not very often.

Q. Two, three, four, five or six times a year?

A. It varied. It may have been three or four times a year, something like that.

Q. Do you know in what months he was in Worcester during the year 1911?

A. No, sir.

Q. Was he there more than once?

A. I could not say.

Q. Was he there more than once during the fall?

A. He was there once; I know, and he may have been there the second time.

Q. Do you know how early in the fall he was there?

A. No, sir.

Q. Are you positive that your instructions were issued by Mr. Baackes and not by Mr. Cragin?

A. I am very positive Mr. Cragin said that the papers were to be destroyed, but I have always felt that I carried out Mr. Baackes' instructions.

Q. Who was your direct superior?

A. Mr. Cragin.

Q. Was Mr. Cragin present when Mr. Baackes spoke to you?

A. Yes, sir.

Q. He was actually there at the time?

A. Yes, sir, to the best of my knowledge, he was there.

Q. And Mr. Baackes went over his head to give you instructions?

A. I was called in while Mr. Cragin was there and told by Mr. Baackes to destroy the papers.

Q. Had Mr. Baackes been accustomed to give you instructions direct?

A. I do not know that he ever had before.

Q. Mr. Whitney, please state to the best of your ability whether you are sure of this, or whether it is merely the best of your recollection.

A. I cannot be sure of anything. It seems to me—I wish I was not as sure of it as I am; I feel so sure as I am of it because I must. I wish I was not so sure, because I understand Mr. Baackes does not agree with me.

Q. Have you had any doubts at any time as to whether your recollection was correct?

A. Not on that point.

Q. Have you sought to confirm your recollection from anyone.

A. No sir—Oh, have I sought to confirm it?

Q. Yes; have you sought to confirm your recollection from anyone?

A. Yes, sir; I have tried to get Mr. Cragin to remember it; yes, in that way.

Q. Have you asked anyone else about it? To be specific, did you ask Miss Bennett about it?

A. Oh, yes. After I got back from Worcester at the first trial, I did.

MR. DICKINSON: What trial do you mean?

THE WITNESS: Well, about March, 1912, I guess it was. March, 1912, yes.

MR. DICKINSON: The first trial? What do you mean? Just explain it.

MR. LINDABURY: Appearance before the grand jury, you mean, do you not?

THE WITNESS: Appearance before the grand jury, yes; March 12, about March 12.

By MR. BOLLING:

Q. Will you tell just what took place?

A. I was so sure Mr. Baackes gave me the instructions, and it seemed probable Miss Bennett was in the room, and I 'phoned her when I got home to see if she remembered who gave me the directions.

Q. Did she have any recollection of it?

A. She said she supposed that Mr. Baackes did.

Q. Did she say she had any recollection of it?

A. She didn't say she had then. She said she supposed that Mr. Baackes did.

Q. If you were so sure of it why did you call her on the telephone?

A. Because I knew they disagreed with me down here, and I might want someone to remember it as I did.

MR. BOLLING: That is all.

REDIRECT EXAMINATION,

By MR. DICKINSON:

Q. You say that you knew that "they" disagreed with you down here. Whom do you mean by "they"?

A. Mr. Baackes and Mr. Cragin.

Q. That they disagreed with you?

A. Yes, sir.

Q. You were asked whether or not you sought to have anyone confirm your recollection. I will ask if anyone sought to confirm your recollection?

A. If anyone sought?

Q. You were asked whether you sought to confirm your recollection by asking some other person?

A. Yes, sir.

Q. Now I ask whether Mr. Cragin or Mr. Baackes spoke to you about the subject in regard to your recollection?

A. Yes, sir; in New York.

Q. In New York?

A. Yes, sir.

Q. That was before or after your testimony before the grand jury?

A. Before.

Q. Before your testimony before the grand jury?

A. Yes, sir.

Q. What was that? What passed between you?

MR. SEVERANCE: I think I shall object to that as incompetent.

MR. DICKINSON: You brought it out.

MR. SEVERANCE: No, I beg your pardon; I did not bring it out.

MR. DICKINSON: We did not bring it out.

MR. LINDABURY: It came out in connection with the question as to whether he sought to confirm his recollection.

MR. DICKINSON: Now I am asking him whether anyone said anything to him about his recollection and what it was.

MR. SEVERANCE: So as to get the objection on the record, nothing about this was brought out by any question asked by any of the counsel for the defense. The witness remarked in the course of an answer that he regretted he was so positive because he knew his recollection did not agree with that of Mr. Cragin and Mr. Baackes. That is all that was said on that subject, and we object to the question as incompetent and immaterial.

By MR. DICKINSON:

Q. Now, if Mr. Baackes or Mr. Cragin said anything to you about what your testimony would be before the grand jury, state what it was.

MR. SEVERANCE: I make the same objection, that it is incompetent and immaterial.

A. I was in the witness room in the Post Office building waiting to testify, and, as I remember, Mr. Cragin told me Mr. Baackes wanted to see me in the hall. I went out in the hall, and Mr. Baackes asked me if I remembered my instructions about destroying the papers. I said, "Yes, you told me to destroy them," and he said he never told me any such thing, and I was very much disturbed by it, and told him that put me in a very peculiar position, and I repeated to him the conversation in Mr. Cragin's office, as I remembered it.

By MR. DICKINSON:

Q. Mr. Baackes knew you were there for the purpose of testifying before the grand jury?

A. Apparently.

Q. He was there also, was he, for that purpose?

A. Yes, sir.

Q. And he spoke to you as to what your testimony would be?

A. Yes, sir.

Q. What did Mr. Cragin say, if anything?

MR. SEVERANCE: We make the same objection to that as incompetent and immaterial.

A. I told him I should have to say that, if I were called on the stand. He said, as I remember it, "Say whatever you please."

By MR. DICKINSON:

Q. What did Cragin say?

MR. SEVERANCE: We make the same objection.

A. Mr. Cragin—I went into the witness room and sat down. Mr. Cragin came in and said that he was—he had been talking with Mr. Baackes, and it was very strange that neither he nor Mr. Baackes remembered what I said to Mr. Baackes—what I had been saying to Mr. Baackes. And I told him I was very sure about it, that I got my instructions from Mr. Baackes. Then he went on very earnestly to say that he gave me the instructions to destroy the papers, and he knew he did; and he repeated it many times, and was very emphatic.

By Mr. Dickinson:

Q. State whether or not he said anything about your testimony conforming to his, or sustaining his, and, if so, what?

Mr. Severance: The same objection.

A. He was very emphatic about having given me the instructions, and I told him that I would say that I understood from him that they were to be destroyed, because he asked me to look them over and see if there was anything I wanted to save; and he was so emphatic that I thought possibly he might have said to me he thought the papers might as well be destroyed. But I never regarded those as instructions from him to destroy them, because Mr. Baackes' instructions followed either that day or the next.

Q. Did he say anything about your testimony conforming to his, and if so, what?

Mr. Severence: The same objection.

A. As I remember it Mr. Cragin said he would also testify he gave me the instructions, and that he had recorded his authority to me for destroying them.

By Mr. Dickinson:

Q. Did he say anything about your testimony corroborating him?

A. I think he did.

Q. What did he say?

Mr. Severence: The same objection.

A. He gave me to understand——

Mr. Severance: I object to what he gave you to understand. State what he said, if anything!

By Mr. Dickinson:

Q. State in substance what he said.

A. Why, he seemed to be satisfied when I gave him to understand that I understood he expected the papers to be destroyed; when I told him I thought he might have said that the papers might well be destroyed, but I wasn't positive

about it; and he seemed to think that was satisfactory and thought I was going to testify that way.

Q. You have not quite answered my question, Mr. Whitney. Did he say anything to you as to your testimony conforming with his?

MR. SEVERENCE: The same objection.

A. I can't say as to just his words, but I understood that he hoped that I could conform to what he had already testified.

By MR. DICKINSON:

Q. And he told you what he had already testified?

A. Yes, sir.

Q. And you said to him you expected to conform——

MR. LINDABURY: I object to this as tending to contradict somebody not yet a witness or to be called, and as utterly unprecedented.

By MR. DICKINSON:

Q. He told you he had testified before the grand jury, did he?

A. Yes, sir.

Q. And what his testimony was?

A. Yes, sir.

Q. And you understood him to express a desire to have you conform to his testimony, did you?

MR. LINDABURY: I object. The witness has said no such thing.

By MR. DICKINSON:

Q. Did he or not?

MR. LINDABURY: I object to this attempt to extract from a witness something he is not willing to tell, something to which he has failed to say yes after four successive questions.

MR. DICKINSON: It is certainly manifestly painful to the witness, as anyone can see.

MR. SEVERENCE: May I further suggest that the question

is objectionable as asking of the witness a conclusion as to the result of the conversation.

MR. DICKINSON: I withdraw that question.

By MR. DICKINSON:

Q. Mr. Whitney, state what Mr. Cragin said to you, if anything, in regard to the testimony that you were going to give before the grand jury and its relation to the testimony that he told you he had given. Just state his language as nearly as you can.

MR. SEVERENCE: Objected to as incompetent, irrelevant and immaterial.

A. I do not remember just the words Mr. Cragin used, and I don't dare repeat them I was very much disturbed, and I don't know now just what he did say; but I understood what he had testified, and I asked him what I could say, "What can I say? What shall I do?" And again that I believed Mr. Baackes had given me those instructions, and then I found out Mr. Cragin claimed he gave them to me, and I couldn't recall, and I was tryig to recall that he had ever told me to destroy them, or that I had ever carried out the instructions of Mr. Cragin.

Q. Mr. Cragin was your immediate superior, was he?

A. Yes, sir.

RECROSS EXAMINATION.

By MR. BOLLING:

Q. Mr. Whitney, did not Mr. Baackes tell you that you must tell the truth as you believed it to be, before the grand jury?

A. Mr. Baackes said, when I left him, "Say what you are a mind to."

Q. Did not Mr. Cragin tell you that you must tell the truth before the grand jury?

A. Mr. Cragin wanted me to avoid saying that Mr. Baackes gave me the instructions, if I could. He said, "You will have to say it if you are asked. You may have to say it," but he did not want me to, if I could help it.

By Mr. Lindabury:

Q. Neither of them asked you to lie, did they?
A. No, sir.

By Mr. Bolling:

Q. Did not Mr. Baackes say to you afterwards that he had no fault to find whatever?

A. I heard him say when I came out,——I told him that I could not bear to testify against him, and I should have to resign, and he said, "It's all right, don't be disturbed," or something like that, "because your testimony does not agree; we are all trying to tell the truth." I said, "Yes, I am trying to."

By Mr. Dickinson:

Q. You did resign, did you?
A. Yes.

By Mr. Bolling:

Q. You were not asked to resign, were you?
A. No, sir.
Q. Did not Mr. Baackes send Mr. Taylor to see you, to tell you that there was no occasion for you to resign?
A. Yes, sir.
Q. That there was no fault to find with you whatever?
A. Yes; that my testimony was all right.

William Derham, called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By Mr. Dickinson:

Q. Where do you reside?
A. Verona, N. J.
Q. How old are you?
A. Fifty-eight.
Q. In what business are you engaged?
A. Selling steel and copper wire and cable.
Q. Are you in business on your own account?

A. No, sir; I am with the United States Steel Products Company.

Q. What is the United States Steel Products Company?

A. It is the export company for all the constituent companies of the United States Steel Corporation.

Q. Where is the office of the United States Steel Products Company?

A. 30 Church Street, New York.

Q. How many of the constituent companies of the United States Steel Corporation have their offices at 30 Church Street?

A. I do not know; I cannot answer that.

Q. Has the American Steel & Wire Company an office there?

A. Yes, sir

Q. Name those that you can recall.

A. The American Steel & Wire Company; the Lorain Steel Company, the Illinois Steel Company; the Carnegie Steel Company; National Tube Company; I think the American Sheet & Tin Plate Company, but I am not sure.

Q. How about the Federal Steel Company?

A. I do not know.

MR. LINDABURY: Is that the Hudson Terminal Building?

THE WITNESS: Yes, sir.

By MR. DICKINSON:

Q. You have named all you now recall from memory?

A. All I can think of now, yes, sir.

Q. When was this United States Steel Products Company formed?

A. In 1903.

Q. As I understand you, the business of that company was to sell in the foreign trade the products of the various constituent companies of the United States Steel Corporation?

A. That is it.

Q. What position did you hold with that company, Mr. Derham?

A. I went in first as a stenographer, and for a short time, I cannot tell how long, I was out on what we call common

products, that is, wire and nails, here in the city. Later on I was made head of the Wire Specialties Division.

Q. Who was the president of that Company when it was formed?

A. Mr. James A. Farrell.

Q. Mr. Farrell is now president of the United States Steel Corporation?

A. Yes, sir.

Q. State whether or not he continued with the United States Steel Products Company until he became president of the United States Steel Corporation?

A. Yes, sir.

Q. He went from one office to another?

A. He went from one office to another.

Q. Do you know the dates?

A. I could not give you the date.

MR. LINDABURY: Do you know when he became president of the United States Steel Corporation?

THE WITNESS: A year ago.

By MR. DICKINSON:

Q. State, as near as you can, when he became president of the United States Steel Corporation.

A. About the 1st of January.

MR. LINDABURY: 1911. And he was president of the Products Company until then?

THE WITNESS: Yes.

MR. SEVERANCE: That was February 11th, I understand?

THE WITNESS: Well, I could not be exact.

By MR. DICKINSON:

Q. Did you know, generally, from time to time, what the export prices were?

A. In my own lines, of course; I had to know.

Q. Did you know the prices in the same lines on domestic sales?

A. Not in all cases, no sir.

Q. You knew some of them?

A. I knew some of them.

Q. Which were the lower prices, the export or the domestic prices?

MR. LINDABURY: On the average, do you mean?

MR. DICKINSON: Those he says he knows of.

A. Well, as a rule, the export price would be a shade under for my products.

By MR. DICKINSON:

Q. I am only speaking of those you know of. What were those products you are speaking about now?

A. Steel wire of various grades, steel ropes, copper wire for cables. Well, that takes it all in. You do not want the finer divisions.

Q. Please look at these papers and see whether you can identify them.

A. (After examination) Yes sir.

MR. DICKINSON: I will ask that they be marked, as soon as counsel examines them (handing papers to counsel for defendants, who examined them).

(The papers so identified were thereupon offered in evidence, and marked "Government's Exhibit Derham, 25, May 8, 1912.")

MR. SEVERANCE: We object to the papers as incompetent and immaterial.

MR. DICKINSON: The first letter is dated March 24, 1906, to Mr. Derham:

"Worcester, March 24th, 1906.

"Mr. Derham:

"Enclosed please find list of orders taken in February, 1906, with full particulars, also dates of actual shipments from Worcester and affidavit in your name. Will ask that you kindly execute this affidavit and return to me.

"Yours very truly,

"George E. Cragin,

"Asst. Genl. Sales Agent."

The next letter is March 26, 1906, and is as follows:

"March 26/06.

"MR. G. A. CRAGIN, A. G. S. A.,
"Worcester.

"DEAR SIR:

"WEATHERPROOF AND MAGNET WIRE.

"In reply to yours 24th inst., please find list of orders for February herewith returned with the writer's affidavit.

"Yours truly,
"UNITED STATES STEEL PRODUCTS EXPORT CO."

By MR. DICKINSON:

Q. Explain what that list of orders was and what the substance of the affidavit was.

A. That was a proof of export.

Q. Proof to whom?

A. To the Wire Company.

Q. Proof to the Wire Company?

A. Yes.

Q. You mean that is proof as to the products of the Wire Company that your company had sold in export?

A. That our company had actually shipped for export and for which we had Custom House bill of lading in our possession.

Q. So all of the goods of the American Steel & Wire Company that were sold by your company in export were verified by an affidavit returned by your company to the producing company?

A. That is it.

Q. Did that system apply to all of the constituent companies of the United States Steel Corporation whose goods were sold by your company in the foreign markets?

A. I could not answer that. I do not know anything about the doings of the other companies.

Q. Your information is limited to products of what company?

A. The American Steel & Wire Company solely.

Q. Was that invariable rule followed, to make returns and affidavits?

A. It continued for a certain period; I do not know just how long.

Q. Who made those affidavits?

A. I signed them.

Q. Who swore to them?

A. I did.

Q. To all of them?

A. No; there was one Mr. Farrell swore to.

Q. Mr. Farrell swore to some of them.

MR. LINDABURY: He said one. Why do you repeat something he did not say?

MR. DICKINSON: I misunderstood him.

By MR. DICKINSON:

Q. You said Mr. Farrell signed one?

MR. SEVERANCE: I object to that as not the best evidence. Why not produce it, if you have it?

By MR. DICKINSON:

Q. And you signed the others. What was the form of that affidavit?

MR. LINDABURY: I object; the affidavit itself ought to be produced.

By MR. DICKINSON:

Q. Can you give in substance the form of that affidavit?

A. I can only say that it contained the lists of the orders that were shipped. I do not remember the form of it.

Q. The affidavit contained a list of the sales made by your company?

A. During that period.

Q. During that period of time in foreign trade?

A. Yes, sir.

MR. LINDABURY: That is not what he said. I think his answer was more accurate. He said that it was an affidavit of what was shipped.

THE WITNESS: Of what was shipped. I made a mistake if I said "sold."

MR. LINDABURY: You said "shipped."

By MR. DICKINSON:

Q. Shipped from them to you?

A. No, shipped out of the mill and from seaboard.

MR. LINDABURY: In foreign trade?

THE WITNESS: Anywhere.

MR. SEVERANCE: Outside of the United States?

THE WITNESS: Outside of the United States.

By MR. DICKINSON:

Q. Under whose directions?

A. In some cases——

Q. Were the sales made by your company?

A. The sales were made by our company; by me.

Q. Were they shipped without sales being made?

A. I do not understand you, sir.

Q. The question is whether these were shipments, or whether they were sales.

A. They were sales, originally, and shipments afterwards.

Q. They were sales, and so the shipments and sales conformed to each other, did they not?

A. Certainly.

MR. LINDABURY: The point is that the affidavit was made when the shipment was made, and not when the sales took place.

By MR. DICKINSON:

Q. See if you can identify that. (Handing paper to the witness.)

A. Yes.

MR. DICKINSON: Let that be marked.

(The paper so identified was offered in evidence and marked "Government's Exhibit 26, May 8, 1912.")

MR. SEVERANCE: We object to the paper as incompetent and immaterial.

By MR. DICKINSON:

Q. State whether or not, Mr. Derham, these affidavits continued along in the regular course of business, and down to what time?

A. I couldn't answer that, sir; I don't know; I kept no records whatever.

Q. What is the best of your recollection about it?

A. I could not attempt to say; it might have been three months, or might have been three years; I couldn't say.

Q. I show you one of February 10, 1909. Does that show the affidavits continued down to that time?

A. Yes; I should say so.

MR. DICKINSON: I offer in evidence letter of George A. Cragin to Mr. Derham, dated February 10, 1909.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit Derham No. 27.")

MR. DICKINSON: I offer in evidence letter from George A. Cragin to Mr. Derham, dated March 12, 1909.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified and offered in evidence was marked "Government's exhibit No. 28.")

MR. DICKINSON: I also offer letter of George A. Cragin to Mr. Derham, dated April 8, 1909.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 29.")

MR. DICKINSON: I also offer in evidence letter of George A. Cragin to Mr. Derham, dated November 7, 1910.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 30.")

MR. DICKINSON: I also offer letter of George A. Cragin to Mr. Derham, dated February 4, 1909.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 31.")

MR. DICKINSON: I also offer letter of George A. Cragin to Mr. Derham, dated October 13, 1909.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 32.")

MR. DICKINSON: I also offer letter of Mr. George A. Cragin to Mr. Farrell, dated November 6, 1908.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 33.")

MR. DICKINSON: I also offer letter of Mr. George A. Cragin to Mr. Derham, dated June 22, 1909.

MR. SEVERANCE: Objected to as incompetent, irrelevant and immaterial.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 34.")

MR. DICKINSON: I will read two of them.

"WORCESTER, March 12, 1909.

"MR. DERHAM:

"WEATHERPROOF & MAGNET:

"Enclosed please find list of orders taken in February, 1909, with full particulars; also dates of actual shipments from Worcester and affidavit in your name.

"Will ask that you kindly execute this affidavit and return to me.

"Yours very truly,

"GEORGE A. CRAGIN,

"Asst. Genl. Sales Agt."

"WORCESTER, April 8, 1909.

"MR. DERHAM:

"WEATHERPROOF & MAGNET:

"Enclosed please find list of orders taken in March, 1909,

with full particulars; also dates of actual shipments from Worcester and affidavit in your name.

"Will ask that you kindly execute this affidavit and return to me.

"Yours very truly,

"GEORGE A. CRAGIN,

"Asst. Genl. Sales Agt."

By MR. DICKINSON:

Q. I read the letter of April 8, 1909. That showed that the affidavits continued down to that period, did it?

A. Yes, sir.

Q. Did you identify this circular of June 22, 1909?

A. Yes, sir.

Q. Mr. Derham, I want to ask you whether or not you know that a letter written from Mr. Farrell, the president of the Export Company, to Mr. Cragin, of the American Steel & Wire Company, some time in January, 1906, contained the following: "Mr. Derham has shown me the extract from the agreement of October 2nd, 1905, and given me particulars of his interview at Worcester on this subject."

MR. LINDABURY: One moment. Do not answer that. If the letter is in existence, of course, it is the best evidence. Counsel tells us it has been destroyed. I take it, therefore, this is an endeavor to show its contents.

MR. DICKINSON: As secondary evidence.

MR. LINDABURY: Which is proper enough provided the witness became acquainted with the contents under certain circumstances that would give him knowledge of the contents and if he recollects the contents. I think this is a letter that was shown to the witness in the grand jury room. If his only knowledge of the contents was derived in that way, I wish to object to his being required to divulge anything communicated to him by the District Attorney or a member of the grand jury in the grand jury room.

Q. Have you knowledge of any such letter having been written?

A. I wish you would read that over again.

Q. Well, I will read all the part of the letter to which I

am going to call your attention. I will state on the record that we expect to prove that the original of this letter was among the papers that were destroyed by Mr. Whitney at Worcester; that the only parts that we have are copies of extracts from this letter, and that I propose now to prove by this witness that such a letter was written and that it contained extracts which I will read to him.

With that preliminary statement I will ask you whether or not you know of a letter having been written some time in January, 1906, from Mr. Farrell to Mr. Cragin, which letter contained the following—now, wait until I read all of the parts.

"Mr. Derham has shown me the extract from the agreement of October 2nd, 1905, and given me particulars of his interview at Worcester on this subject.

"It seems to me that your plan is best, to wit, that you prepare at Worcester a list of all export orders for these commodities shipped during the month and send this list to New York to Mr. Derham to check up and sign. He can swear to it if necessary, but I think his simple statement over the company's signature should be sufficient.

"The other manufacturers when agreeing to furnish duplicate Custom House bills of lading, had probably not taken the subject up with the steamship company. It is more than doubtful that these duplicate copies can be procured. If it is decided that Custom House bills of lading must be shown we can arrange to keep those covering shipments of waterproof and magnet wire in separate files.

"We can arrange to keep those and they can be looked over by the supervisor or his representative in this office. However, as stated above, in my judgment your plan of showing a list of all orders exported, with a statement from our company over the signature that the list is correct, and that the material was actually exported, should meet all requirements.

"Yours very truly,

"J. A. FARRELL, President."

State whether or not you had knowledge of such a letter, containing what I have read to you, written by Mr. Farrell to Mr. Cragin?

MR. LINDABURY: I object to that and ask permission to cross-examine——

MR. DICKINSON: You may ask him the sources of his knowledge afterwards.

MR. LINDABURY: We do not want to have it come out first and then have to show that the sources were confidential. I object, and ask leave to cross-examine the witness as to the source of his knowledge.

MR. DICKINSON: I will start in another direction.

MR. LINDABURY: Do you withdraw the question?

MR. DICKINSON: Yes.

By MR. DICKINSON:

Q. Did you ever see such a letter?

A. I do not remember all you have read, but I saw a letter much to the same effect.

Q. You saw a letter much to the same effect?

A. Just about the same purport.

Q. Written by Mr. Farrell to Mr. Cragin?

MR. LINDABURY: I object.

By MR. DICKINSON:

Q. By whom was it written?

MR. LINDABURY: One moment. That is an attempt to get from him the contents of a letter without disclosing the source of information and to evade the rule.

MR. DICKINSON: I am not trying to evade the rule. I can not do everything at one time.

By MR. DICKINSON:

Q. Where did you see the letter?

A. In the grand jury room.

Q. Did you ever see it before that?

A. I guess I wrote it.

Q. What is that?

A. The chances are ten to one that I wrote it myself.

Q. Well, state whether or not you had seen that letter before you went to the grand jury room.

A. They showed me the letter up there. I must have seen it before.

Q. You did see it before?

A. The letter they showed me.

Q. Did you see the signature?

A. I suppose I did. I cannot remember whether I saw the signature.

Q. By whom was it signed?

A. I cannot remember whether I saw the signature. I saw the letter was signed, but I cannot say I remember seeing the signature.

Q. Well, I will ask you whether or not there was such a letter signed by Mr. Farrell.

A. You told me not to answer that.

Q. I told you not to answer another question. I am asking you a question now that I would like to have you answer.

MR. LINDABURY: I understand that this question relates to information before the grand jury. Am I right?

MR. DICKINSON: I am simply asking whether or not he saw such a letter and whether or not Mr. Farrell wrote the letter.

MR. LINDABURY: I object, and desire to cross-examine him as to when and where he saw it.

MR. DICKINSON: I will yield for that purpose, then.

By MR. LINDABURY:

Q. You did see a letter on that general subject, before the grand jury?

A. Yes, sir.

Q. Did you see the signature to it?

A. I must have.

Q. Do you remember whether you did or not?

A. No; I cannot say that.

Q. Do you recall ever having seen it before?

A. Well, I did, after it was shown to me, as I say.

Q. You did recall having seen it before?

A. I did.

Q. And do you now recall that you had seen it before?

A. I do.

Q. Do you recall that you wrote it?

A. I cannot be positive, but I am pretty sure I would not have taken up Mr. Farrell's time with a thing like that.

Q. You wrote such letters and signed his name to them sometimes?

A. No, I did not sign them. I turned them in to him for signature.

Q. Have you any recollection, or are you simply now suggesting the course of business?

A. That is all I am doing; I cannot remember.

Q. Do you recall to mind the letter at all?

A. I do, yes, sir; after seeing it in the jury room.

Q. And the contents?

A. The contents; not all the detail that was read, but I do remember parts of it.

Q. A letter on the general subject?

A. Yes.

MR. DICKINSON: Now I want to ask him about another letter.

By MR. DICKINSON:

Q. Mr. Derham, I will ask you whether or not you know that a letter was written in January, 1906, from Mr. Cragin to Mr. Farrell, containing the following:

"As soon as all orders entered by the export department during December are shipped, will have the list made up and submitted to you in accordance with your letter and also talk with Mr. Derham. Enclosed please find list of your orders taken in November and December with full particulars, also list of actual shipments from Worcester. You will note that I have prepared this affidavit in your name, and I will ask that you kindly execute it. If you will prefer in future that these affidavits be made by any one else connected with the export company, please so state and I will have future affidavits drawn accordingly. This affidavit will be filed by E. E. Jack-

son, Jr., supervisor of the Weatherproof and Magnet Wire Association."

Please answer the question.

MR. LINDABURY: The question is, do you remember such a letter; that is the question.

A. I do not remember such a letter, that is, Mr. Jackson taking charge of any papers of ours. I do not remember that part of it. If there was such a letter written, I do not remember that part of it.

MR. SEVERANCE: That is a letter written by Mr. Cragin.

THE WITNESS: I understand that.

By MR. DICKINSON:

Q. Have you any recollection of ever having seen a letter written by Mr. Cragin to Mr. Farrell which contained what I have read to you?

A. I cannot remember the letter now, and I certainly cannot remember anything about Mr. Jackson ever taking care of any of our papers. I do not remember that.

Q. Were those instructions ever read to you and identified by you?

MR. LINDABURY: I object to that.

MR. DICKINSON: I am trying to refresh his recollection.

MR. LINDABURY: I object to your attempting to refresh his recollection by something that took place before the grand jury.

MR. DICKINSON: I have not said where. You are volunteering that information.

By MR. DICKINSON:

Q. Were those extracts which I have read to you for the purpose of refreshing your recollection, ever read to you before; have you any recollection of their ever having been read to you before?

MR. LINDABURY: I object to the witness answering.

MR. DICKINSON: He has answered "no" before.

MR. LINDABURY: Were they ever read?

THE WITNESS: I do not recall the letter at all; no.

By Mr. Dickinson:

Q. You do not recall the letter?

A. No, I do not.

Q. Now, I am asking if at any time recently those extracts were read to you, and whether or not you identified them as having been in a letter written by Mr. Cragin to Mr. Farrell?

A. I cannot remember?

Q. You cannot remember?

A. It may have been so. I have been ill over a year and my memory probably is not as good as it ought to be.

Q. You have no recollection, then, of that sort?

A. No.

Q. You have no recollection of any letter containing the contents I have read to you?

A. No.

Q. Your memory is entirely blank on that subject?

A. My memory is entirely blank on the subject.

Q. Mr. Derham, state whether or not regularly some officer of the Export Company sent to the American Steel & Wire Company at Worcester an affidavit in substance as follows, being signed, you have testified, at one time by Mr. Farrell, and at subsequent times by you:

"I, James A. Farrell, President of the United States Steel Products Export Company, do solemnly swear that all of the above listed shipments of weatherproof and magnet wire were actually exported from this country.

"Signed by

"Sworn to before me this day of February, 1906.

A. That was about the form.

Q. That was the form sent regularly?

A. Not regularly.

Q. Monthly, was it?

A. Monthly, for a certain period. I do not know how long.

Q. Did or did not Mr. Farrell know that that was being done?

A. Yes, Mr. Farrell knew it.

Mr. Dickinson: That is all.

The Witness: Well, in the first instance. I never spoke

to him afterward about it. I cannot say that he knows anything than about the first.

Q. That was the custom in your business generally, under his authority, was it?

A. Yes.

CROSS-EXAMINATION,

By Mr. Bolling:

Q. Who prepared these affidavits?

A. Well, Mr. Cragin sent them. Mr. Cragin sent the letter over his signature, with the affidavit. I do not know who prepared them.

Q. Who dictated them?

A. I cannot tell you.

Q. Did they come to you from Mr. Cragin?

A. They came to me from Mr. Cragin.

Q. Did you do anything more than take them up and sign them?

A. That is all.

Q. At whose request did you furnish them?

A. Mr. Cragin's.

Q. Your company, I believe you said, was selling abroad the goods of the various subsidiary companies of the United States Steel Corporation?

A. Yes, sir.

Q. Were you selling those goods on your own account, or on commission?

A. On commission.

Q. Was any profit made on those goods yours, or was it that of the company which manufactured them?

A. The constituent company's. We had nothing to do with the profits.

Q. What lines of goods were you particularly handling?

A. What they called wire specialties, iron and steel wire and cables, and copper wire and cables.

Q. When you wanted to quote prices on those lines of goods, how did you get your prices?

A. From Worcester.

Q. You did not make your prices yourself?

A. No, sir. Worcester makes all our prices for us.

Q. On all those goods?

A. On all those goods.

Q. Would you depart from those Worcester prices?

A. Not except in this way: Mr. Cragin at times would say, "Here is a price; if you have got to cut it a little bit, use your own discretion."

Q. Then, except in those cases where he did give you a slight discretion, do I understand that you never departed from the Worcester prices?

A. Sometimes he would give us an absolutely free hand, but we never made a price without Worcester's authority in some way.

Q. Did you make application repeatedly to Worcester for prices?

A. On certain lines, yes; on copper, because it fluctuates so considerably; on the steel lines, not so much; in fact, rarely.

Q. Why did you consider yourself obliged to get prices from Worcester?

A. We were their agents, selling their goods. We had to sell at prices satisfactory to them.

Q. Why did you furnish these affidavits when requested by the Wire Company?

A. Simply because they requested us to do so. We had to do as they told us to do.

Q. Did you ever attend any of these pool meetings?

A. No, sir.

Q. Did you ever meet Mr. Jackson?

A. I have met him, I cannot say how many times; I met him something like fifteen years ago, in Cliff Street, and once or twice—I do not know just how long it is ago, may be six or seven years ago.

Q. Did you transact any business with him?

A. Never.

Q. Did you transact any business with any of his representatives?

A. No, sir; we had nothing to do with them.

Q. Did you carry on any correspondence with any of them?

A. I never did; no.

Q. Do you know whether anybody connected with the

United States Steel Products Company had any relations with him?

A. No; I do not see how they could have; we had absolutely nothing to do with them.

Q. They did not, so far as you know?

A. So far as I know; no, sir. I do not believe I would know Jackson if I saw him.

MR. BOLLING: That is all.

MR. DICKINSON: That is all.

(Witness excused).

(Whereupon, at 12:30 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

At the expiration of the recess the hearing was resumed.

MR. DICKINSON: We will call Mr. Karl G. Roebling.

KARL G. ROEBLING,

called as a witness in behalf of the United States Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION,

By MR. DICKINSON:

Q. Mr. Roebling, where do you live?

A. Trenton, New Jersey.

Q. What is your age?

A. Thirty-nine.

Q. In what business are you engaged?

A. Manufacturer of wire and wire products.

Q. What is the name of the concern with which you are connected?

A. John A. Roebling's Sons Company.

Q. Is that a corporation?

A. It is a corporation.

Q. Where is the headquarters of that corporation?

A. At Trenton, N. J.

Q. How long have you been with that corporation?

A. Since 1894.

Q. What is your position with it now?

A. General sales agent.

Q. How long have you held that position?

A. About seven years.

Q. State, Mr. Roebling, whether or not John A. Roebling's Sons Company, either directly or through a representative, was a member of any pools or pooling arrangements or associations within the last ten years.

A. Yes; they were.

Q. Will you please name the pools in which that company was a member?

A. The Wire Rope Association, the Bare Copper Wire Association and certain insulated associations, the names of which I cannot give you. They were attended by another man than myself, and I would not recall them exactly.

Q. Did you not represent your company at any of the meetings of any of these associations?

A. I represented them in the Wire Rope and the Bare Copper Wire Associations.

Q. The Bare Copper Wire Association?

A. The Bare Copper Wire Association.

Q. When did you begin to attend meetings of the Bare Copper Wire Association?

A. I think it was at the very beginning of the last copper wire association.

Q. At what time was that?

A. I could not give you the exact year.

Q. About what year?

A. 1905.

MR. SEVERANCE: Just a moment, what is that book?

MR. DICKINSON: I will prove that later.

MR. SEVERANCE: But the witness is using it.

MR. DICKINSON: I will prove it now.

By MR. DICKINSON:

Q. What is the book you hold in your hands?

A. It is a copy of the minutes of the Bare Copper Wire Association.

Q. Anything else besides the minutes?

A. The articles of agreement.

Q. Are there any rules and regulations there?

A. Yes; they seem to be there.

Q. Do or do not those minutes set forth the transactions at meetings to which they purport to refer?

A. Yes, they seem to.

Q. Are they not printed minutes?

A. Printed minutes, yes.

Q. Where did you get them?

A. They were sent to us.

Q. By whom?

A. By the supervisor.

Q. Who was the supervisor?

A. Mr. E. E. Jackson, Jr.

Q. Will you please answer the question that I asked you, which was: When did you first begin to attend the meetings of that pool or association?

A. In May, 1905.

MR. DICKINSON: I now offer in evidence the agreement and the rules of the association as they appear in this book, the preliminary page not being numbered, and the following pages from 1 to 10 inclusive; also schedule A upon pages 11 and 12.

By MR. SEVERANCE:

Q. Are you Mr. K. G. Roebling?

A. Yes.

Q. You spell your first name with a K., do you?

A. Yes.

Q. Who is Mr. F. W. Roebling?

A. Ferdinand W. Roebling.

Q. Who is he?

A. He is the secretary and treasurer.

Q. Is he your brother?

A. My father.

Q. This agreement, purporting to be made between certain gentlemen, including F. W. Roebling, does not seem to have been signed. Was it signed, do you know?

A. I couldn't tell you about that; I don't know.

MR. SEVERANCE: I object to the offer; the paper is not properly identified or signed.

By MR. DICKINSON:

Q. You identify the pages indicated, do you not, as the minutes of the preliminary meeting of the Association, the articles of agreement, the rules and regulations, and Schedule A on the unnumbered page in the first of the book, and the following pages, from 1 to 12 inclusive?

MR. SEVERANCE: I object to the question, on the ground it does not appear that the witness was a party to this agreement or that he was present when it was agreed to, if it ever was agreed to, and that the papers are incompetent, irrelevant and immaterial.

MR. DICKINSON: I will bring that all out, Mr. Severance. I ask him if he can identify that as being the agreement and rules and regulations.

MR. SEVERANCE: I repeat the objection.

By MR. DICKINSON:

Q. What is your answer?

A. I should say they were the papers.

(The papers referred to were later, on May 21, 1912, by agreement of counsel, marked as "Govt. Exhibit 34A," and will be found in the book of Exhibits.)

Q. Who is Mr. C. C. Cooley, whose name appears on that book?

A. He was my assistant.

Q. Was or was not that book the property of your company?

A. It was Mr. Cooley's property, and as such the property of the company.

Q. Did he or not hold it in his representative capacity?

A. He did.

Q. Was your company a member of this association?

MR. SEVERANCE: I object to that as incompetent. The agreement recites on its face that certain individuals were members.

A. It was.

By Mr. Dickinson:

Q. Did your company act under and in accordance with the rules and regulations of this association?

A. I acted for the company.

Q. Were you there in your individual capacity or as a representative of the company?

A. I was there in an individual capacity.

Q. Do you mean to say that you sold any copper wire individually?

A. No; but I acted for the company.

Q. You acted for the company??

A. Yes.

Q. In attending these meetings you attended as a representative of the company?

A. I expect I did.

Q. Is or is not that the fact, Mr. Roebling, that you were there as representing your company?

A. In effect, yes.

Q. Did or did not the company know you were attending these meetings as its representative?

A. I think they did.

Q. Now, I will call the names appearing here on the first list: Mr. C. F. Brucker. Whom did he represent?

A. I think he represented the Coe Brothers Company.

Q. Mr. A. A. Cowles?

A. I think he represented the Ansonia Brass & Copper Company.

Q. G. J. Jackson?

A. The National Conduit & Cable Company.

Q. Mr. C. R. Remington?

A. The American Electrical Works.

Q. Mr. F. W. Roebling?

A. John A. Roebling's Sons Company.

Q. Mr. K. G. Roebling; that is yourself?

A. John A. Roebling's Sons Company.

Q. Did both of you represent that company from time to time?

A. Yes.

Q. Mr. George A. Cragin?

A. American Steel & Wire Company.

Q. Mr. P. H. W. Smith?

A. The Standard Underground Cable Company.

Q. State whether or not you met these gentlemen there from time to time at these meetings.

A. I did meet most of them.

Q. Did you know with what companies they were severally associated?

A. I did.

MR. DICKINSON: I should like to have this book marked later, because there are several minutes in it that I wish to refer to.

By MR. DICKINSON:

Q. Article four, as set out on page 1, provides as follows: "Duration of Association. This association shall continue in full force until June 1, 1908, with the right for any party to withdraw on sixty days' written notice given to the Supervisor, during December, 1906; such notice to take effect March 1, 1907, and if no such notice is given this agreement shall be absolute until June 1, 1908, without right to withdraw."

Was or was not that one the articles?

A. I believe it was.

Q. Just look at the book and state whether you know it was?

A. (After examination) Yes; I should say it was.

Q. What goods were included within that agreement? Look at Rule 1st and answer the question.

A. All kinds of bare copper wire and wire rods, flattened copper wire, copper strand, or laid ropes, copper wire, straightened to cut lengths, and all copper wire in rods delivered by each member to his cable or insulating department.

Q. State whether or not this association, under its rules, and by action of the members of it regulated prices to the trade, and if so, in what respect?

A. A certain scale of extras called Schedule A was provided.

Q. Is that the schedule on pages 11 and 12?

A. It is; providing for certain extras in price over the price of wire bars.

Q. Does the schedule show the base price?

A. No, it does not show the base price. It shows simply the extras to be added for certain sizes.

Q. What was the base price?

A. The base price was arrived at by adding the bar price on the extras.

Q. Unless you can answer offhand from memory, please look at this and state who fixed the price of the bars?

A. The price of bars was fixed by the supervisor.

Q. State whether or not under your arrangements and the way you carried out that association, there were minimum prices under which no member could go?

A. Yes; there were minimum prices.

Q. Explain the operation of the association as to allotments, what allotments mean, and how they were fixed?

A. Each member had an allotment in pounds, based upon his output for a certain time previous to the formation of the association, and he was supposed to confine his sales to that amount. That is, he was supposed to do that; but he could go over if he wanted to.

Q. What would be the effect of his going over?

A. If he went over he paid in an amount representing, approximately, the profit on the transaction, to those who did not make their allotment.

Q. Suppose he fell below the allotment?

A. Then he would receive instead of paying to the others.

Q. Instead of paying to the others?

A. Instead of paying to the others.

Q. And the allotment was maintained, in result?

A. It was in one way, yes. The profit was paid.

Q. State whether or not under these rules and the operation of this agreement, daily reports were made to the supervisor?

A. Yes; daily reports of orders received were made.

Q. Did each member of the pooling agreement make reports to the supervisor daily?

A. I believe so.

Q. What did those reports show?

A. I think they simply showed the name of the company and the number of pounds of wire, and size.

Q. Sold by the company?

A. Sold by the company.

Q. Did or did not the supervisor have access to the books of each of the members, for the purpose of ascertaining what business they were doing?

A. Yes, he did, on demand.

Q. How often did he audit them?

A. I do not recall.

Q. Look under the head of "Auditing" and see how often he had a right to audit them or how often the duty was imposed on him of auditing them.

MR. LINDABURY: I object to that as immaterial.

By MR. DICKINSON:

Q. Just read rule 11.

A. "The various books of the manufacturers shall be thoroughly checked and audited each month by the supervisor or his representative."

Q. Were any deposits made by the members of this association?

A. Yes; deposits were made.

Q. Explain the nature of those deposits and the purpose of them.

A. A guarantee fund was established amounting to fifty cents a hundred pounds for the account of any member who might be in excess of his allotment.

Q. What was the guarantee fund for?

A. My recollection is that it was simply a guarantee of general good faith, to make each member have a certain interest in the association.

Q. And the deposit was made by each member for that purpose?

A. I think so.

Q. Suppose any member of the association withdrew before the time fixed for dissolution under the articles; did he get any part of that guarantee fund?

A. He would not.

Q. He forfeited his right?

A. He forfeited his right.

By Mr. Dickinson:

Q. Can you identify these letfers?
A. (After examining papers.) I do.

Mr. Dickinson: I offer in evidence and now read letter from John A. Roebling's Sons Company to E. E. Jackson, Jr., dated May 2, 1906, as follows:

"May 2, 1906.

"E. E. Jackson, Jr., Esq.,
"New York City.

"Dear Sir:

"We have yours of the 1st instant regarding options on copper to the U. S. Government and would state that our judgment would be to leave this out as it would not be wise to excite the Government particularly when there is an Assosiation going.

"Very truly yours,
"John A. Roebling's Sons Co.,
"By Karl G. Roebling,
"Gen'l Sales Agent."

Mr. Severance: I object to that letter as incompetent, irrelevant and immaterial as against the defendants in this suit, not being written by them, and it not being shown that they have any connection whatever with it or with the opinions therein expressed.

Mr. Dickinson: I now offer in evidence, as part of the same exhibit, and read in evidence the following leter:

"Noble, Jackson & Hubbard,
"52 William Street,
"New York, May 1, 1906.

"John A. Roebling's Sons Company,
"Trenton, N. J.

"Dear Sirs:

"Replying to Mr. K. G. Roebling's favor of the 27th ult.

I am strongly of the opinion that in case of the U. S. Government when they desire bids on Bare Copper Wire (which is exceedingly seldom) it would be wise to leave it open.

"I will bring the matter up at the next meeting of the Association. In case you have such a case turn up meanwhile I should be pleased to have you advise me when I will issue special dispensation to you or anybody else concerned in the matter.

"Yours very truly,
"E. E. JACKSON, Jr., Supervisor."

MR. SEVERANCE: I make the same objection to that letter.

(The letters so offered in evidence were thereupon marked "Government's Exhibit 35 and 35-a, May 8, 1912.")

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining paper.) I do.

MR. DICKINSON: I offer in evidence and read the following letter:

"NOBLE, JACKSON & HUBBARD,
"52 William Street,
"NEW YORK, May 3, 1906.

"JOHN A. ROEBLING'S SONS COMPANY,
Trenton, N. J.

"GENTLEMEN:

"I am in receipt of Mr. K. G. Roebling's favor of the 2nd inst. and note that he agrees with me in thinking that it is not wise to withdraw quotations from the U. S. Government on Copper Wire in case of advance in price.

"I will bring the matter up at the next meeting of the Association so as to make the matter one of record.

"Yours very truly,
"E. E. JACKSON, Jr., Supervisor."

MR. SEVERANCE: I wish to note the same objection to this letter.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 36, May 8, 1912.")

By Mr. Dickinson:

Q. Do you identify this letter?
A. (After examining letter.) I do.

Mr. Dickinson: I offer in evidence and read the following letter:

"Noble, Jackson & Hubbard,
"52 William Street,
"New York, July 28, 1905.

"K. G. Roebling, Esq.,
"John A. Roebling's Sons Company,
"Trenton, N. J.

"Dear Karl:

"Yours of the 27th inst. at hand enclosing letter from your Chicago House relative to some ass who is talking too much about the Copper Wire Association matters.

"It is the same old question. The only thing I can guarantee is that, as far as this office is concerned, we do not talk outside about our dealings or about our personal business. If I were able to control the talk of all the members of the various associations that we have here and to impress upon them the fact that the *only* Motto is 'Addition, division and silence,' I would be a much wiser man than I am now.

"As to how the leakage can be stopped, I am frank to say that I don't know. I herewith return the letter from your Chicago office.

"Yours very truly,
"E. E. Jackson, Supervisor."

Mr. Severance: I object to that letter specifically as being immaterial and irrelevant and not a statement or declaration by defendants, or anyone on their behalf, and of no probative value in this case.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 37, May 8, 1912.")

By Mr. Dickinson:

Q. Do you identify these letters?

A. (After examining papers.) I do.

Mr. Dickinson: I offer in evidence and read the following letter:

"May 15, 1906.

"E. E. Jackson, Jr., Esq.,
"New York City.

"Dear Sir:

"We have your letter of the 12th instant, and note what Mr. Cragin has to say regarding the Cleveland Construction Co.'s order, and would state that the matter had better be dropped. For your own information, however, we would state that our representatives, sitting in the office of the Cleveland Construction Co., heard the order being dictated to be sent to the American Steel & Wire Company, and the price on the 4600 ft. of 400,000 C. M. weatherproof strand was $20.05 and not $20.20.

"Very truly yours,
"John A. Roebling's Sons Co.,
"By Karl G. Roebling,
"Gen'l Sales Agt."

Mr. Severance: I object to that on the same grounds stated in my objection to the last letter.

Mr. Dickinson: I also offer as a part of the same exhibit and read the following letter:

New York, May 12, 1906.

"K. G. Roebling, Esq.,
"John A. Roebling's Sons Company,
"Trenton, N. J.

"Dear Sir:

"RE BARE COPPER WIRE.

"Referring to your favor of the 10th ult. making inquiry

as to various orders for Bare Copper Wire, I am sorry there has been so much delay in getting the information about this matter, but it has taken some time to go around the bush and get all the information I wanted.

"I am unable to find that any of the associated Manufacturers have taken up to the present time contract with the Lake Shore & Michigan Southern R. R. or the Youngstown & Ohio R. R. Each and every one has written me a specific letter stating that he has not taken the order and no report has yet been made of it.

"As to the Cleveland Construction Company, Mr. Cragin advises me that he has taken the order and makes the following report:

"We have sold the Cleveland Construction Co., the following:

"32192 lbs. 3/0 grooved trolley, at $20.05 per 100 lbs.
"28245 lbs. #2 bare copper wire at $19.80 per 100 lbs.
"65 lbs. #1 bare copper wire at $19.80 per 100 lbs.
"140 lbs. #6 bare copper wire at $19.80 per 100 lbs.
"400 lbs. #4 bare copper wire at $19.80 per 100 lbs.

"Approximately 29,000 lbs. 400,000 C. M. bare copper strand, at $20.30 per 100 lbs.

"Approximately 4600 ft. 400,000 C. M. T. B. strand, at $20.20 per 100 lbs. All the above were to be f. o. b. Cleveland, Ohio.

"Two full carloads of bare copper wire will be shipped from our Waukegan works, and one full carload of bare copper wire with the weatherproof will be shipped from Worcester.

"'He also advises me that he has taken the Cincinnati Traction Company order as shown by the following report:

"'We have also taken order from the Cincinnati Traction Co. for 25 miles 2/0 trolley wire at $19.80 per 100 lbs., f. o. b. cars Winton Place.'

"You will note that the price on the 400,000 C. M. Triple Braid is taken at the proper price for less than carloads.

"If there is anything further you wish to have me do in the matter kindly advise me.

"Yours very truly,
"E. E. JACKSON, Jr., Supervisor.
"Per L. V. Hubard."

By MR. DICKINSON:

Q. Do you know that signature?
A. It is very indistinct. It is L. V. Hubard.

MR. SEVERANCE: I object to that letter on the same grounds as I have noted in my objection to the last exhibit, and in addition, on the ground that it is attempting to prove the declaration of Mr. Cragin, one of the sales agents of the American Steel & Wire Company, by the unsworn declaration of a third person out of court.

(The letters so offered in evidence were thereupon marked "Government's Exhibits 42 and 42-a, May 8, 1912.")

By MR. DICKINSON:

Q. Do you identify these letters?
A. (After examining papers.) I do.

MR. DICKINSON: I offer in evidence and read the following letters:

"April 12, 1909.

"E. E. JACKSON, Esq.,
"New York City.

"DEAR SIR:

"I have your favor of the 10th instant, and would state that what I particularly wanted to explain to you was the fact that the cut price to the Delaware & Hudson was in the nature of a mistake, as we had not intended cutting the price to these people.

"As far as the attitude of the A. S. & W. goes, it is more of a case of the pot calling the kettle black. Their skirts have

not been clear of this sort of thing lately, particularly on the Pacific Coast.

"Yours very truly,

"KARL G. ROEBLING,
"Gen'l. Sales Agt."

MR. SEVERANCE: I object to that as incompetent, irrelevant and immaterial.

MR. DICKINSON: I offer in evidence as part of the same exhibit, and read: (Reading.)

"NEW YORK, April 10, 1909.

"K. G. ROEBLING, Esq.,
"John A. Roebling's Sons Company,
"Trenton, N. J.

"DEAR KARL:

"I am very sorry to have the week come to an end without my having seen you for a talk in regard to the sale of Bare Copper Wire made by you to the Delaware & Hudson Company.

"The American Steel & Wire Company feel very much aggrieved over the transaction. They also were bidding on the order at absolutely full price, because they were over their allotment. They feel if you, who are much more over than they are, are at liberty to cut prices, they must do the same thing.

"I am afraid the next order, which the Delaware & Hudson Company place, will be taken by somebody at a very low price.

"Yours very truly,
"E. E. JACKSON, JR., Supervisor."

MR. SEVERANCE: I object to that letter as incompetent, irrelevant and immaterial, and as attempting to prove a declaration by the American Steel & Wire Company by the unsworn declaration of a third person out of court.

(The letters so offered in evidence were thereupon marked "Government's Exhibits Nos. 45 and 45-a, May 8, 1912," and will be found in the volume of exhibits.)

By Mr. Dickinson:

Q. Do you identify this letter?

A. (After examining letter) I do.

Mr. Dickinson: I offer in evidence copy of a letter from John A. Roebling's Sons Company to E. E. Jackson, Jr., dated March 30, 1906.

Mr. Severance: I object to that letter as being incompetent and irrelevant, and as an attempt to prove the action of the defendant, the American Steel & Wire Company, by the unsworn statement of a third person out of court.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 38, May 8, 1912," and will be found in the volume of exhibits.)

By Mr. Dickinson:

Q. Do you identify this letter?

A. (After examining letter) I do.

Mr. Dickinson: I offer in evidence letter dated February 7, 1906, from E. E. Jackson, Jr., to Mr. K. G. Roebling.

Mr. Severance: I object to that letter as incompetent and irrelevant, none of the defendants in this case being in any way connected with the transaction therein covered.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 39, May 8, 1912," and will be found in the volume of exhibits.)

By Mr. Dickinson:

Q. Do you identify these letters?

A. (After examining papers) I do.

Mr. Dickinson: I offer in evidence as Exhibit No. 40, copy of letter of April 23, 1906, from Mr. K. G. Roebling to Mr. E. E. Jackson, Jr., and, as Exhibit 40-a, letter of April 21, 1906, from E. E. Jackson, Jr., to Messrs. George A. Cragin, K. G. Roebling and A. A. Cowles.

MR. SEVERANCE: I object to those letters as incompetent and irrelevant.

(The letters so offered in evidence were thereupon marked "Government's Exhibits Nos. 40 and 40-a, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify these letters?

A. (After examining papers) I do.

MR. DICKINSON: I offer in evidence, as Government Exhibit No. 41, letter dated June 25, 1907, from Mr. E. E. Jackson, Jr. to Mr. K. G. Roebling, and as Exhibit 41-a, letter of June 24, 1907, from Karl G. Roebling to L. V. Hubbard.

MR. SEVERANCE: I object to the letters as incompetent and irrelevant.

(The letters so offered in evidence were thereupon marked "Government's Exhibits Nos. 41 and 41-a, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining letter) I do.

MR. DICKINSON: I offer in evidence copy of letter dated October 31, 1907, from John A. Roebling's Sons Company to Mr. E. E. Jackson, Jr.

MR. SEVERANCE: That letter is objected to as incompetent and irrelevant, and also as an attempt to prove certain actions of the defendant, American Steel & Wire Company, or a declaration by that company, by an unsworn statement of a third party out of court.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 43, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining letter) I do.

MR. DICKINSON: I offer in evidence copy of letter dated

October 26th, 1907, from Mr. Karl G. Roebling to Mr. E. E. Jackson.

MR. SEVERANCE: The same objection to that letter as I made to the introduction of Exhibit 43.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 44, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining paper) I do.

MR. DICKINSON: I offer in evidence a letter dated August 23, 1905, from Mr. E. E. Jackson, Jr. to K. G. Roebling.

MR. SEVERANCE: That letter is objected to as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 46, May 8, 1912," and will be found in the volume of Exhibits).

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining paper.) I do.

MR. DICKINSON: I offer in evidence copy of letter dated August 24, 1905, from John A. Roebling's Sons Company to L. V. Hubbard.

MR. SEVERANCE: That letter is objected to as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 47, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining paper.) I do.

MR. DICKINSON: I offer in evidence letter dated April 9, 1906, from E. E. Jackson, Jr. to K. G. Roebling.

MR. SEVERANCE: I object to that letter as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 48, May 8, 1912," and will be found in the volume of exhibits.)

By Mr. Dickinson:

Q. Do you identify these letters?

A. (After examining papers.) I can identify all of these except that one, and the signature is absolutely illegible.

Mr. Colton: See is that is attached to the letter in connection with the other letters.

The Witness: It is attached by a clip.

By Mr. Dickinson:

Q. Do the two letters refer to each other?

A. They seem to refer to each other. I cannot positively identify this one.

Mr. Dickinson: I will rely upon its relation to the others.

I offer as Exhibit No. 49 letter dated November 24, 1908, from John A. Roebling's Sons Company to Mr. Mr. E. E. Jackson, Jr.; as Exhibit 49-a, letter of November 21, 1908, from E. E. Jackson, Jr. to F. W. Roebling; as Exhibit 49-b, letter of December 3, 1908, to Mr. E. E. Jackson, Jr.; as Exhibit 49-c, letter of November 30, 1908, from E. E. Jackson, to John A. Roebling's Sons Company.

Mr. Severance: I object to those letters, as the same are, on their face, matters with which neither the defendant the American Steel & Wire Company, nor any other defendant, has any possible connection, and I also object to them upon the grounds that they are incompetent and irrelevant.

(The letters so offered in evidence were thereupon marked "Government's Exhibits 49, 49-a, 49-b and 49-c, May 8, 1912," and will be found in the volume of exhibits.)

By Mr. Dickinson:

Q. Do you identify this letter?

A. (After examining letter.) I do.

Mr. Dickinson: I offer in evidence letter dated March 29, 1909, from Mr. E. E. Jackson, to John A. Roebling's Sons Company.

MR. SEVERANCE: That is objected to as incompetent and immaterial.

(The letter so offered in evidence was thereupon marked "Government's Exhibit 50, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify these letters?

A. (After examining papers.) I do.

MR. DICKINSON: I offer in evidence as Exhibit 51, copy of letter dated April 7, 1909, from Mr. Karl G. Roebling to Mr. E. E. Jackson, Jr. and as Exhibit 51-a, letter dated April 6, 1909, from E. E. Jackson, Jr. to John A. Roebling.

MR. SEVERANCE: I note the same objection to those letters as to the previous letters.

The letters so offered in evidence were thereupon marked "Government's Exhibits 51 and 51-a, May 8, 1912," and will be found in the volume of exhibits.

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining letter.) I do.

MR. DICKINSON: I offer in evidence letter dated June 8, 1905, from E. E. Jackson, Jr., to John A. Roebling's Sons Company.

MR. SEVERANCE: I object to that as incompetent and irrelevant and as being an attempt to prove a declaration of the Defendant, the American Steel & Wire Company, by an unsworn statement made by a third person out of court, and note the further objection that the same is indefinite.

(The letter so offered in evidence was thereupon marked "Government's Exhibit 52, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining letter.) I do.

MR. DICKINSON: I offer in evidence a letter dated Febru-

ary 9, 1907, from E. E. Jackson, Jr. to John A. Roebling's Sons Company.

MR. SEVERANCE: That letter is objected to as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 53, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter and the attached memorandum?

A. (After examining papers.) I do.

MR. DICKINSON: I offer in evidence copy of letter dated August 7, 1906, from Karl G. Roebling to Mr. E. E. Jackson, Jr. as Exhibit No. 54; and as Exhibit 54-a copy of the attached memorandum.

MR. SEVERANCE: I object to those papers as indefinite, incompetent and irrelevant. And so far as anything appears it is clear that neither the American Steel & Wire Company nor any other defendant had anything to do with the matter.

(The papers so offered in evidence were thereupon marked "Government's Exhibit No. 54 and No. 54-a, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining letter.) I do.

MR. DICKINSON: I offer in evidence letter dated May 18, 1907, from E. E. Jackson, Jr. to John A. Roebling's Sons Co.

MR. SEVERANCE: I object to that as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 55, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify these letters?

A. (After examining papers) I do.

MR. DICKINSON: I offer in evidence as Exhibit 56 copy of letter dated November 24, 1905, from K. G. Roebling to E. E. Jackson, Jr.; and as Exhibit 56-a, letter of November 23, 1905, from E. E. Jackson, Jr., to K. G. Roebling.

MR. SEVERANCE: I object to those letters as being incompetent and irrelevant.

(The letters so offered in evidence were thereupon marked "Government's Exhibits Nos. 56 and 56-a May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining paper) I do.

MR. DICKINSON: I offer in evidence as Exhibit 57 letter dated May 26, 1905, from E. E. Jackson, Jr., to John A. Roebling's Sons Company.

MR. SEVERANCE: I object to that letter as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 57, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify this letter?

A. (After examining paper) I do.

MR. DICKINSON: I offer in evidence letter dated December 21, 1905, from E. E. Jackson, Jr., to George A. Cragin, Esq. and K. G. Roebling, Esq.

MR. SEVERANCE: I object to that letter as incompetent and irrelevant.

(The letter so offered in evidence was thereupon marked "Government's Exhibit No. 58 May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify these letters?

A. (After examining papers) I do.

MR. DICKINSON: I offer in evidence as Exhibit 59 copy of

letter dated July 26, 1906, from John A. Roebling's Sons Company to L. V. Hubbard; and as Exhibit 59-a, letter dated July 25, 1906, from E. E. Jackson, Jr., to K. G. Roebling, Esq.

MR. SEVERANCE: No. 59 is objected to as incompetent and irrelevant, and 59-a is objected to on the same grounds, and also as an attempt to prove a declaration by Mr. Cragin, one of the sales agents of the American Steel & Wire Company, by an unsworn statement made by a third party out of court.

(The letters so offered in evidence were thereupon marked "Government's Exhibits 59 and 59-a, May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify these letters?

A. (After examining letters) I do.

MR. DICKINSON: I offer in evidence as Exhibit 60 copy of letter dated March 11, 1909, from K. G. Roebling to E. E. Jackson, Jr., and as Exhibit 60-a, letter dated March 12, 1909, from E. E. Jackson, Jr. to John A. Roebling's Sons Company.

MR. SEVERANCE: Those letters are objected to as incompetent and irrelevant and an attempt to prove a declaration of the American Steel & Wire Company by an unsworn statement of a person not produced in court.

(The letters so offered in evidence were thereupon marked "Government's Exhibits 60 and 60-a May 8, 1912," and will be found in the volume of exhibits.)

By MR. DICKINSON:

Q. Do you identify these letters?

A. (After examining papers) I do.

MR. DICKINSON: I offer in evidence as Exhibit 61 copy of letter dated June 24, 1905, from John A. Roebling's Sons Company to E. E. Jackson, Jr. and as No. 61-a copy of letter of June 23, 1905, from E. E. Jackson, Jr., entitled "Bare Copper Wire Association."

MR. SEVERANCE: Those letters are objected to as incompetent and irrelevant.

(The letters so offered in evidence were thereupon

marked "Government's Exhibits 61 and 61-a, May 8, 1912," and will be found in the volume of exhibits.)

By Mr. Dickinson:

Q. State whether these letters came to you, and those from you were written, in the course of the ordinary business of your company in connection with this association.

A. They were.

Q. I believe you said, Mr. Roebling, that this contained the minutes of the Association?

A. Yes, sir.

Mr. Lindabury: Are those original minutes?

Mr. Dickinson: They are the printed ones sent out by the supervisor to the witness as a member of the Association, and kept in a book which belonged to his company.

Now, I will read and offer evidence from page 34:

"The question of making"——

Mr. Severance: What meeting does that purport to be, Judge?

Mr. Dickinson: It is under date of June 13th, 1905.

Mr. Severance: Does the witness purport to have been present at the meeting? There is a list there?

Mr. Dickinson: Yes; K. G. Roebling.

By Mr. Dickinson:

Q. You were at the meeting?

A. Yes, sir.

Mr. Severance: Proceed, page 34.

Mr. Dickinson: (Reading) "The question of making special dispensation was fully discussed.

"It was moved, seconded and unanimously carried that Mr. Doughty be given the right to make an agreement on price for No. 19, No. 20 and No. 22 wire, either plain or tinned, with the Western Electric Company and the Stromberg Carlson Company, on condition that Mr. Doughty shall at once after making such an arrangement notify the supervisor, who shall in turn notify all the members of the price, terms, and duration of the said agreement, and that each member have

the right to make the same price, terms and period of duration as Mr. Doughty to these parties only."

By Mr. Dickinson:

Q. Mr. Roebling, I will now come to the meeting of June 13th, 1905. State whether you were present at that meeting?

A. I was.

Mr. Dickinson: And I will read and offer in evidence an extract on page 38. Of course I would offer the entire minutes, but a great deal of it is irrelevant, gentlemen, and it would only encumber the record. Of course if you wish it put in I will put it in.

Mr. Severance: We will agree it is entirely irrelevant.

Mr. Dickinson: Yes; I know, but I am not accepting your views on these things.

"It was moved by Mr. F. W. Roebling, seconded by Mr. George J. Jackson, and upon roll call unanimously voted that the price of bars be placed at 15-1/4 cents, this necessitating an immediate advance of one quarter cent in all selling prices of the Association, including those under special dispensation to Western Electric Company."

By Mr. Dickinson:

Q. I call your attention now, Mr. Roebling, to the meeting of December 14, 1905, and ask you if you were present at that meeting?

A. I was.

Mr. Dickinson: I will read an extract from page 42:

"It was moved, seconded and unanimously carried that Mr. P. H. W. Smith, together with Mr. F. W. Wallace, be given privilege to make an arrangement with the Wire & Telephone Company of America, covering rods for a period of not over one year along the lines discussed at today's meeting, with the understanding that if at any time the settling price of bars was more than one quarter of a cent less than Association member's price, they shall notify all members of the Association at once through the Supervisor, and that the wire and telephone company shall maintain the selling prices of this Association for sizes No. 24 and smaller."

By Mr. Dickinson:

Q. I next call your attention to the meeting of October 17, 1905. Were you present there?

A. I was.

Q. And you identify these minutes?

A. Yes, sir.

Mr. Dickinson: I read an extract from page 43.

"It was moved, seconded and unanimously carried that sales between members, or sales made by any member of the Association to the Waclark Wire Company shall be at any price which shall be agreed upon between the parties interested."

By Mr. Dickinson:

Q. There are the minutes of November 15, 1905. Were you present there?

A. I was.

Mr. Dickinson: And I will read from page 46:

"The Supervisor reported as to negotiations with the Phillips Insulated Wire Company, and after full discussion it was moved, seconded and unanimously carried that the Supervisor be instructed to keep the Phillips Insulated Wire Company fully advised as to all prices and all matters pertaining thereto, and to accept Mr. Phillips' proposition as to maintenance of our prices and letting the matter of allotment remain in abeyance for the present."

By Mr. Dickinson:

Q. I now call your attention to the minutes of the meeting of January 25th, 1906. Were you present at that meeting?

A. I was.

Mr. Dickinson: And I will read extracts from page 51:

"The Supervisor submitted letter from Mr. P. H. W. Smith relative to the Spargo Company. After discussion, it was moved, seconded, and unanimously carried, that Mr. P. H. W. Smith and Mr. F. W. Wallace be allowed to make a deal with the Spargo Company for rods based on the Asso-

ciation prices of bars, with such extras for rolling as they can agree upon, but the price for the rods shall in no case be less than Association price for bars."

By MR. DICKINSON:

Q. Now, the meeting of February 5th, 1906. Were you present there?—no; it shows you were not.

A. No, I don't think I was.

Q. Then I will just withdraw that. I will not say anything about that. July 19, 1906. Were you present at that meeting?

A. Yes, sir.

MR. DICKINSON: I will put in evidence extract from page 68:

"It was moved, seconded and unanimously carried that, taking effect to-day, all toll prices to the General Electric Company be advanced ten cents per hundred pounds for all sizes."

By MR. DICKINSON:

Q. March 19, 1908. Were you at that meeting?

A. Yes; I was.

MR. DICKINSON: I read an extract from page 112.

"The Supervisor gave notice of an advance in the price of wire of 1/4c. per pound, taking effect immediately."

By MR. DICKINSON:

Q. Now, at the meeting of May 21st, 1908, were you present then?

A. I was.

MR. DICKINSON: I will read, beginning on page 115.

"It was moved and seconded that this Association be continued for a period of two years and eleven months from and after June 1st, 1908, or until May 1st, 1911, under all its present rules, regulations, terms, allotments and conditions, without the right of any member to withdraw. Upon roll call this resolution was unanimously voted."

MR. DICKINSON: Now, all of that I read is offered in evidence, Mr. Severance.

MR. SEVERANCE: I object to each and every one of them as incompetent and irrelevant.

By MR. DICKINSON:

Q. I believe you said your company was also a member of the Wire Rope Association?

A. Yes, sir.

Q. How long did the Wire Rope Association continue?

A. Well, it was in existence about a year before the Sherman Act was passed.

Q. I mean down to what period did it continue?

A. I think it disbanded some time in 1906 or 1907; I don't remember exactly which.

Q. You think it was in 1906 or 1907?

A. I think so.

Q. At the time it disbanded who were members of it?

A. John A. Roebling's Sons Company—I do not recall whether there were individual memberships or company memberships.

Q. Was Roebling & Company a member?

A. Either by the company or individually, yes.

Q. Well, in that way?

A. Yes.

Q. That is the way all of them were members of these associations, were they not, by representatives?

A. Yes.

Q. How about the American Steel & Wire Company?

A. Yes; I think they were members.

Q. Bascom & Broderick?

A. I do not think they were members; I think they withdrew a little while back of that; the date I can't give you.

Q. You cannot give the date?

A. I can't recall that.

Q. When did the Copper Wire Association end or disband?

A. The functions of the association ceased about April or May, 1909, and the formal windup was about December, 1909.

MR. SEVERANCE: That is the one you have been reading about?

MR. DICKINSON: Yes.

MR. SEVERANCE: Now you are going back to the Bare Copper Wire?

MR. DICKINSON: Yes, sir.

MR. SEVERANCE: This Wire Rope Association, you say, wound up about 1906 or 1907?

THE WITNESS: I think so.

By MR. DICKINSON:

Q. You say the formal association ended about December?

A. Ended formally. The last returning of any deposit or anything of that kind took place in December, 1909.

Q. At what meeting were you last present?

A. I think it was in May, 1909.

Q. Do you know who were present at that meeting?

A. I don't recall now.

Q. After those meetings ceased, state whether or not those who had been members of that Association came together formally or informally at meetings.

A. You mean in the Wire Association?

Q. The Bare Copper Wire Association.

A. Yes; they did; practically all.

Q. How often did they come together?

A. There were no stated periods; sometimes once every thirty days, and sometimes every sixty days; there was no regularity about them.

Q. State who of those who had been members of the Association attended these meetings after the formal meetings ended?

A. Practically the representatives who attended the other meetings.

Q. Were representatives of the American Steel & Wire Company there?

A. Yes; they were.

Q. Who were there?

A. I recall Mr. Baackes and Mr. Cragin.

Q. What was the object of those meetings, Mr. Roebling?

A. The main object was to promote as much confidence in each other as possible.

Q. Did you talk about prices?

A. Prices were discussed.

Q. Any announcements made about prices?

A. On occasion, yes.

Q. Did you not have confidence that those announcements would be carried out?

MR. SEVERANCE: I object to that as incompetent and immaterial.

MR. LINDABURY: You are asking for his individual mental operation.

MR. DICKINSON: No; I am asking for what he understood.

THE WITNESS: Would you repeat that, please.

By MR. DICKINSON:

Q. I am asking you——

MR. SEVERANCE: Do you strike out the previous question, Judge?

MR. DICKINSON: Yes; I will strike it out.

MR. SEVERANCE: All right.

By MR. DICKINSON:

Q. I will put it this way: Did or did not the representatives of the various companies who attended that meeting announce at what prices they were going to sell?

MR. LINDABURY: Do you mean all of them?

MR. DICKINSON: I am asking him. I will make it more specific.

A. One or more would.

By MR. DICKINSON:

Q. Did they announce each one there?

A. No; it was very irregular.

Q. State whether or not when you left those meetings the prices announced were the prices at which you sold to the trade?

A. As a rule, yes, sir.

CROSS EXAMINATION.

By Mr. Severance:

Q. Can you tell a little more definitely which Associations your company or some representative of your company was a member of during part or all of the period covered by the examination in chief?

A. The only meetings of which I had actual knowledge were those of the Bare Copper Wire Association and the Wire Rope Association. I believe we were members of certain insulated wire Associations, but I could not give you the exact names.

Q. You were members of certain insulated wire associations other than those two associations you have named?

A. Yes.

Q. Who was the representative, if you know, in the other associations outside the two where you represented them?

A. Mr. Newberry.

Q. What are his initials?

A. Frank J.

Q. And what is his relation to your corporation?

A. He is the manager and general sales agent of our insulated wire department.

Q. You stated that after these associations were disbanded, you continued to meet together. Of which association are you speaking——the Wire Rope Association or the Bare Copper Association?

A. Both.

Q. In one of the letters that was offered in evidence here today, Mr. Roebling, relative to the Bare Copper Association——I think the letter was written by Mr. Jackson, or purported to be——there was a reference to your allotment as 54 per cent. Was that your allotment?

A. Is that the Bare Copper or the Wire Rope Association?

Q. I am not sure. It was in one of those letters.

A. If it was in the letter it would probably be headed which one it was.

Q. Perhaps I can find that in my notes. Without stopping to look up the letter, will you kindly state what your allotment was in the Wire Rope Association?

A. I could not recall that. All of our papers have been turned over to Mr. Colton, and I have nothing from which I could form any accurate testimony.

Q. Has Mr. Colton any papers in his possession which show your percentage of allotment?

A. I do not know. I have not seen them for a long time, and had not seen them for a long time up to the time I turned them over to him.

Q. When did Mr. Colton obtain your papers?

A. Mr. Wise obtained the papers first. That was sometime in May, 1911.

Q. And you have never had them in your possession since?

A. No, sir.

Q. Except as certain papers were passed up to you today?

A. Yes.

Q. Are you not able, from your recollection, to state within reasonable limits, the amount of your percentage in the Wire Rope Association.

A. I think we had a larger individual percentage than any of the other members, but just what it was, I do not recall.

Q. You are quite certain of that, are you not, that you had the largest individual interest?

A. Reasonably certain, yes.

Q. And in the Bare Copper Wire Association, do you remember what your percentage was?

A. No, I do not remember the figures.

Q. Do you remember the relation that your interest or percentage bore to that of any other individual member of the Bare Copper Association? Did you not have the largest individual interest in that also?

A. My understanding was that it was the largest individual one.

Q. And next to you the Standard Underground Cable Company had the largest interest, did they not?

A. I do not think so; I always understood the Ansonia Brass and Copper Company had.

Q. Who represented the Ansonia Brass & Copper Company?

A. Messrs. Cowles and Kent.

Q. How was it with the Standard Underground Cable; was that next?

A. I could not tell you about that.

Q. Your only recollection is that Roebling was first, and the interest represented by Mr. Brucker and his associates next?

A. Yes, sir.

Q. That is, in the Bare Copper Association?

A. Yes, sir; in the Bare Copper Association.

Q. And in the Wire Rope Pool you remember that you were the largest, but you cannot tell the percentage?

A. No, I cannot tell the percentage.

Q. You stated to the counsel for the Government that your recollection was that the last meeting of the Bare Copper Wire Association was in April, 1909.

A. That was my recollection.

Q. Calling attention to these minutes, the printed book of minutes, by the aid of which you have been testifying, what is your opinion, refreshing your recollection, as to the date of the last meeting? The last one shown in the book is March 18, is it not?

A. It is, yes sir. There is an adjournment there until Thursday, April 15th, 1909.

Q. Whether you had a meeting April 15th, you cannot now recall?

A. I cannot now recall.

Q. The last meeting that is shown in the book upon which your examination is based, and which was turned over by you to Mr. Wise, and by him to Mr. Colton, and produced here, was the 18th of March, 1909?

A. Yes.

Q. It is a fact, is it not, Mr. Roebling, that the representatives of the American Steel & Wire Company advised you and

your associates that they proposed to withdraw from the association, at or about that time, the spring of 1909?

A. I have some faint recollection of that.

Q. As a matter of fact, was not that the occasion of the disbanding of the association?

A. I believe it was.

Q. And did any representative of the American Steel & Wire Company ever attend a meeting of the pool or association after the spring of 1909?

A. Not to my knowledge.

Q. You were interrogated with reference to certain meetings that you had after the association was disbanded, and you said one or more members announced the price at which they proposed to sell goods. There was no agreement reached at those meetings upon prices, was there, but merely an announcement by persons as to the prices at which they proposed to sell?

A. I do not know whether anybody regarded the matter as I did. I rather imagine that everybody had a little different idea. The meetings were very informal, and I doubt if anybody had the same idea when they went there that they had when they went out of the room. The idea I had was that if I made an announcement of price I would hold to that until I found it necessary to make the change, but I would agree to give notice before I made any change. That is, I would give the notice before I made any change, but I would make a change whenever I found it necessary due to market conditions.

Q. When you made the suggestion that you had agreed to do that, you did not mean to say you had agreed you would give the notice, but you thought it was a matter of courtesy to the gentlemen with whom you had met, that you should notify them if you changed your price?

A. I stated I would notify them before I changed my price, but that I would be at liberty to change my price whenever I found the market conditions would warrant it and make it necessary.

By Mr. Lindabury:

Q. You stated your price in that connection, sometimes?

A. In that connection I would state that I considered such and such a price reasonable and would attempt to keep that in force for a definite or an indefinite period, or until I could not maintain it, due to market conditions.

Q. And when you changed it you would let them know?

A. When I changed it I would let them know.

By MR. SEVERANCE:

Q. I call your attention now to Government Exhibit No. 39, which purports to be a letter, and has been identified by you as a letter written by E. E. Jackson, Jr., supervisor, to yourself, dated February 7, 1906, in which there occurs the following:

"Referring to bulletin No. 204, issued as of January 31st, 1906, you will note that you are under your allotment 54 per cent."

Refreshing your recollection with that letter, will you now state whether or not in your opinion your allotment under the Bare Copper Association was 54 per cent?

A. I would take it from that that I was 54 per cent. under my allotment; that that was the amount I was under what I should have been.

Q. So you do not think that means that your allotment was 54 per cent. total?

A. No, I do not think our allotment ever reached 54 per cent.

Q. And you are unable to state now what it was, owing to all of your papers being out of your possession?

A. Absolutely.

Q. There was a resolution contained in this book, to which your attention was called, extending the Association down to 1911. That was never acted under further than you have stated—down to 1909, was it?

A. No.

Q. In this schedule A, attached to this agreement, which schedule was called to your attention, I see there is a heading, "Extra over base," and another, "Extra for tinning," and then it states, "Extra for square," and at the top, "Base price 16 1/2 cents." Now, what is "base price," what does that mean?

A. Certain sizes were to be the base sizes, and were sold

at a flat price, and other sizes, smaller, or special in shape, had extras added to them to cover the increased cost for the manufacture of those sizes and shapes.

Q. The prices of copper wire at different times are dependent upon the price of copper bars or ingots, are they not?

A. Absolutely.

Q. And the addition over the market price of copper bars or ingots is very small, is it not?

A. Exceedingly small.

Q. About how many cents per pound? Not over a cent or a cent and a half, is it?

A. I should imagine a quarter of a cent would be a very large profit.

Q. I am not speaking of the profit, but I am speaking of the addition that is ordinarily made to get your base price for standard articles?

A. Over the bars?

Q. Over the bars or ingots, yes.

A. Between a cent and a cent and a quarter.

Q. So that, for a cent or a cent and a quarter per pound, the manufacturer of copper wire takes the copper in the form of an ingot or bar and reduces it to the form of a standard wire, does the finishing, and puts it on the market?

A. Yes.

Q. And out of that one and a quarter cents has to come the manufacturing cost and the selling cost?

A. Absolutely.

Q. And then whatever profit he may be able to get?

A. Yes.

Q. Was that true during the existence of this pool, that there was about that margin?

A. There was about that margin. Sometimes the spread, as we call it, ran to a cent and a half, but in that case a quarter of a cent was absorbed in the freight. It made it practically a cent and a quarter.

Q. The copper bars or ingots were never covered by any association of which you had any information?

A. Not that we have any knowledge of.

Q. And that was sold in the open market?

A. That was sold in the open market, yes.

Q. Copper bars or ingots have been subject to very wide fluctuations, have they not?

A. At times, yes.

Q. The price has gone up and down a great deal. Its range has been from 12 cents to 25 cents within how many years?

A. Within the life of the Copper Wire Association.

Q. Within the life of that association?

A. Yes, sir.

Q. And the prices that are obtained under normal conditions of competition are about the same as you have stated; that is, about that much above the cost of the copper?

A. About that. It leaves no other margin; there is nothing else to do.

Q. Who were there, outside of the members of this Association, engaged in the business of manufacturing bare copper wire during the existence of that pool or association?

A. The Detroit Brass & Copper Company, of Detroit; the Waclark Wire Company; the Seymour Company—I do not know the exact name of the company.

Q. The Seymour Manufacturing Company?

A. The Seymour Manufacturing Company, I believe. The Spargo Company. I do not recall their exact name. And I think the Wire & Telephone Company of America.

Q. And was there another company called the Rome Telephone Company?

A. Yes; there was.

Q. Do you think of any other except the ones you have named?

A. No, I cannot recall any others.

Q. And those companies were active in the copper wire trade at that time, were they?

A. Yes, sir; particularly the Detroit Company and the Waclark Company.

Q. That is really the W. A. Clark Company. That is, it is Senator W. A. Clark's Company, and it is written in one word, is it not?

A. Yes.

Q. And instead of calling it the W. A. Clark Company it is called the Waclark Company?

A. I believe so.

Q. He is a very large producer of copper, as well as a manufacturer, is he not?

A. He is.

Q. What was the character of the customers who bought wire rope; were they large or small concerns?

A. Both. They range from very large to very small. Nearly all the wire rope business is done directly with the consumers.

Q. How about the bare copper wire; is that sold to large consumers?

A. No; that is sold both to large and small, although the large consumers are probably larger than they would be in the wire rope.

Q. There are large concerns that buy that, are there not?

A. Some very large concerns make very large purchases.

Q. That is what I understood. While this association was in existence, each member endeavored to sell all of his product he could, did he not?

A. Yes.

Q. So far they did not limit competition in the effort to sell?

A. A man could sell as much as he pleased; and he simply had to turn over the profit on an amount beyond his allotment.

Q. In making those sales and in endeavoring to make sales in this way, did your agents and the agents of the other members of the association make representations as to the speed with which they could make deliveries and as to the quality of their goods, and did you endeavor to carry out such representations?

A. There was a great deal of competition along that line.

Q. There was a great deal of competition along that line continuously?

A. Continuously.

Q. You said that the allotment each member in the association had was based upon his previous sales, did you not?

A. It was based upon their previous sales or production for a period, some time prior to the formation of the association.

Q. That is running over some period prior to the formation?

A. Yes.

Q. Up to the date of the formation of the association?

A. Up to the date of the formation of the association, yes, sir.

Q. I think you said that the bare copper wire pool, which was shown here, was formed in 1905?

A. Yes, sir.

Q. Was that the successor of some pool that had previously existed, or had there been pools at different times?

A. There had been pools at different times, and I think the last one before that had been out of existence for one or possibly two years.

Q. And how far back, within your knowledge did those pools run?

A. I should say ten or twelve years.

Q. Ten or twelve years previous to 1905?

A. No; previous to now.

Q. That is back to—

A. Back to 1892 I should say.

Q. That is twenty years?

A. I think one was in existence in 1892 or 1893; I am not certain.

Q. That is twenty years ago then?

A. Then it is twenty.

Q. Twenty years ago?

A. I am not certain about that date.

By MR. DICKINSON:

Q. Were you in business then?

A. I was not in business then; I simply heard it.

By MR. SEVERANCE:

Q. How long had you been in the Roebling Company?

A. Since 1894.

Q. Were there pools in those days, when you were young and unsophisticated?

A. I think there were.

Q. The wire rope pool, I believe you said, or some wire rope pools, had existed before the Sherman Act was passed?

A. There has only been one Wire Rope Association. That

has practically been in existence since about a year to a year and a half before the Sherman Act was passed.

Q. It has been reorganized, has it not, once or twice?

A. Yes; it was reorganized and a great many of its original features have been eliminated, but the association itself has been practically continuous.

Q. So it has been continuous since before the Sherman Act was passed, down to 1909, when it was broken up?

A. I don't recall the exact date; I think it was before 1909.

Q. Yes; you said that was broken up earlier?

A. Yes.

Q. 1906 or 1907?

A. Yes.

Q. Is it your recollection that the American Steel & Wire Company was a member of those pools prior to 1901?

A. I think they were.

MR. SEVERANCE: That is all.

REDIRECT EXAMINATION.

By MR. DICKINSON:

Q. Just one question. You were asked about the Waclark Wire Company being outside of your association. I will ask whether your association and that company did not have an arrangement for maintaining prices?

A. As I recall, our prices were given to them in the hope that they would maintain them.

Q. Did you not make any efforts to reach an agreement with them?

A. I do not know exactly what was done, Mr. Dickinson. I know that the prices were given to them in the hope that they would maintain them, but I am very sorry to say that they did not.

By MR. LINDABURY:

Q. They did make changes?

A. Yes.

MR. SEVERANCE: He says they did not maintain them.

By MR. SEVERANCE:

Q. They did not maintain them?

A. They did not maintain them.

Q. To your regret?

A. To my regret.

By Mr. Dickinson:

Q. Do you mean they did not maintain them continuously?

A. Yes, sir; I would say they did not maintain them continuously.

Q. Did they part of the time?

A. Well, a very small part of the time.

Q. But you had an understanding with them for a small part of the time.

Mr. Lindabury: He has not said that.

A. No, no, sir; no definite understanding with them.

By Mr. Dickinson:

Q. I will read here from the minutes of your meeting put in evidence, the meeting of September 19th, 1907, page 99.

Mr. Lindabury: Objected to as cross-examination.

By Mr. Dickinson:

Q. "It was further moved and seconded that the functions of this association be suspended to such time as satisfactory arrangement shall be made with the Waclark Wire Company, and with the Detroit Copper Company and Brass Rolling Mills, whereby they will become full members of this Association, and subject to the same terms and regulations as the other members."

Do you remember any such action as that being taken?

A. My recollection was that the competition of those two companies had grown to such a degree that the Bare Copper Wire Association could not maintain the prices they were trying to maintain.

Q. What was the object of this transaction? Do you remember?

A. Simply that the functions of the association were useless until such time as they could get them together.

Q. Did that Association make efforts to arrange with them to maintain prices?

A. I don't recall whether they did or not.

Q. What is your best recollection?

A. My best recollection is they were seen and asked if they would.

Q. But your association undertook to do it?

A. My recollection is they were asked whether they would care to join.

MR. SEVERANCE: That is all, Mr. Roebling.

(Whereupon, at 4:10 o'clock, p. m., the hearing adjourned until 10:15 o'clock a. m., Thursday, May 9, 1912.)

FOURTH DAY.

ROOM 210, CUSTOM HOUSE,
NEW YORK CITY,

Thursday, May 9, 1912.

The hearing was resumed at 10:15 o'clock a. m. before Special Examiner JOHN ARTHUR BROWN.

Appearances the same as heretofore noted.

GEORGE A. CRAGIN,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

DIRECT EXAMINATION.

By MR. DICKINSON:

Q. State your full name, please.
A. George A. Cragin.
Q. Where do you reside?
A. Worcester, Massachusetts.
Q. How long have you been living there?
A. About ten years.
Q. What is your age?
A. 48.
Q. In what employment are you now?
A. Assistant General Sales Agent of the American Steel & Wire Company.
Q. How long have you been engaged as assistant general sales agent of the American Steel & Wire Company?
A. About 12 years.
Q. State, Mr. Cragin, whether or not you represented the American Steel & Wire Company at the meetings from time to time of the following associations: The Wire Rope Association, the Bare Copper Wire Association, the Weatherproof and Magnet Wire Association, the Underground Power Cable Association, the Rubber and Lead Encased Cable Association?
A. I attended some of the meetings of those associations.
Q. How often did those meetings take place, generally, of each association?

A. Generally once a month.

Q. Of each association?

A. Yes, sir.

Q. Did you or not attend as the representative of the American Steel & Wire Company?

A. I did.

Q. Was it known to the officers of your company that you were representing them?

A. It was known to some of them.

Q. Was it known to any general officers of the company?

A. It was known to the vice-president and general sales agent.

Q. Who was that?

A. Mr. Baackes.

Q. Did you or not report to him from time to time the transactions that took place at these meetings?

A. I did.

Q. Did you usually attend the monthly meetings of those associations?

A. As a regular thing, yes, sir.

Q. Who, of the American Steel & Wire Company, was in charge of the papers relating to those associations?

A. In a general way I was.

Q. You had clerks and subordinates, had you?

A. Yes, sir.

Q. And they were generally under your supervision and control?

A. Yes, sir.

Q. Mr. Cragin, state whether or not early in November of last year Mr. Baackes visited your office in Worcester.

A. He was there last fall. I could not say whether it was the early part of November or October.

Q. You mean you could not say whether it was early in November or early in October?

A. My recollection is that he was there twice. I could not say as to the dates.

Q. Do you or not recollect that he was there in November?

A. Yes; he was there in November.

Q. In the early part of November, was he?

A. I can only say I think so. I do not remember.

Q. You are testifying to the best of your knowledge and belief on that subject?

A. I do not remember distinctly what part of November he was there.

Q. I will ask you whether or not on the occasion of his visit to you in November you had any conversation with Mr. Baackes in regard to the trunkful of papers that had been sent down to the United States District Attorney at New York and which had been returned to Worcester?

A. I had.

Q. State what that conversation was.

A. Mr. Baackes said to me: "Have you destroyed those papers?"

I said: "I will give that matter attention."

Q. You did not tell him they had not been destroyed?

A. No, sir.

Q. You said that you would give it attention? What did you mean by saying that you would give it attention?

A. It was an evasive answer.

Q. Had they been destroyed?

A. No, sir.

Q. They had not been destroyed?

A. No, sir.

Q. Were they destroyed after that?

A. Yes, sir.

Q. In the month of November, 1911?

A. I do not know when they were destroyed, except that if was after my statement to Mr. Baackes.

Q. And that statement was in November, 1911?

MR. SEVERANCE: He did not say that.

MR. DICKINSON: I understood him to say that.

MR. SEVERANCE: He said he did not know. He said he was there twice.

By MR. DICKINSON:

Q. Did you not say that Mr. Baackes was there early in November, to the best of your recollection?

A. Yes, sir.

Q. Did you not say that, at that time, he asked you about those papers?

A. No, sir.

Q. I understood you to say it.

A. He was there twice in the fall. It may have been at the time that you speak of, in November, or it may have been at the other time. During one of his visits he asked me if the papers had been destroyed. I cannot say which one of the visits it was, because I do not remember. I simply remember my answer, and the fact that he did follow the matter up.

Q. Do you know whether those papers were destroyed in October or November?

A. They were not destroyed in October.

MR. COLTON: Well, were they destroyed in November?

THE WITNESS: I think so.

By MR. DICKINSON:

Q. And were they destroyed after the conversation with Mr. Baackes to which you have referred?

A. Yes, sir.

Q. How long after that conversation?

A. That I don't know, because I do not know when they were destroyed.

Q. But you know it was in November and after that conversation?

A. Yes, sir.

Q. Mr. Cragin, do you know Mr. Farrell?

A. Yes, sir.

Q. Up to the time that he became President of the American Steel & Wire Company, and for several years previous thereto, what position did he hold?

A. He was President of the United States Steel Export Company, as it was at first called, and later of the United States Steel Products Company.

Q. That company sold your products, did it?

A. Yes, sir.

Q. In export business?

A. Yes, sir.

Q. Did you come in contact with Mr. Farrell often, either directly or by correspondence?

A. Occasionally.

Q. State whether or not, to your knowledge, Mr. Farrell knew who the supervisor of these several pooling associations was?

A. I don't know.

Q. You say you do not know?

A. I don't know from my personal knowledge. I assume that he did know; I never discussed the matter of the supervisor with him, nor, in fact, any matters connected with those pools; had no occasion to.

Q. You say you never discussed with Mr. Farrell, at any time, the question of whether or not Mr. Jackson was the supervisor?

A. I do not remember discussing that question with him at any time.

Q. Did you ever, at any time, have any conversation with Mr. Farrell in which it was recognized by both of you, in discussing the matter, that Mr. Jackson was the supervisor of those pools?

MR. SEVERANCE: I object to that as asking for a conclusion of the witness. The proper question should be, What was said, if anything, by either Mr. Farrell or the witness, upon the subject? He cannot tell what was recognized.

MR. DICKINSON: Maybe he can. We will see. Read the question.

(The question was read by the stenographer.)

A. I cannot answer that question.

By MR. DICKINSON:

Q. Did you have any correspondence with him in which it was shown that Mr. Jackson was the supervisor?

A. No.

MR. SEVERANCE: Just a moment.

MR. DICKINSON: He says no.

MR. SEVERANCE: But I want an opportunity to make an objection.

MR. DICKINSON: I guess that answer does not hurt.

MR. SEVERANCE: I was about to suggest that the correspondence would be better evidence than the statement of the witness, if there was any such correspondence.

MR. DICKINSON: You know there is a lot of correspondence that has been lost and destroyed.

MR. SEVERANCE: And a lot of it has been in your possession for several months, and some could not be found yesterday.

MR. COLTON: There is no correspondence that we had which could not be found.

By MR. DICKINSON:

Q. Mr. Cragin, I show you some letters and carbon copies of correspondence, and ask you to go through them and lay out those that you can identify, and just pass them over to the stenographer here.

A. You mean identify them how?

Q. The signature; whether you know the signature.

A. This is Mr. Jackson's signature.

(The paper so identified by the witness, being letter to J. D. Bascom, dated November 25, 1907, marked for identification "Government Exhibit 62, May 9, 1912.")

THE WITNESS: This is a copy. There is no signature on that.

Q. Do you identify that?

A. I do not know anything about this.

Q. Just take it off, will you?

(The paper last referred to returned to Mr. Dickinson.)

MR. SEVERANCE: Are you offering these?

MR. DICKINSON: The method we have been following is first to mark them for identification and then offer them in evidence.

THE WITNESS: I can simply identify the signature of Mr. Jackson.

(The paper so identified by the witness, being letter to Broderick & Bascom Rope Company, signed E. E. Jackson, Jr., supervisor, dated April 1, 1907, marked for identification "Government Exhibit 63, May 9, 1912.")

THE WITNESS: That is Mr. Jackson's signature.

(The paper so identified by the witness, being letter to Broderick & Bascom Rope Company, signed E. E. Jackson, Jr., supervisor, dated March 21, 1907, marked for identification "Government Exhibit 64, May 9, 1912.")

THE WITNESS: This is a copy with a typewritten signature.

MR. LINDABURY: You do not identify it, then?

THE WITNESS: I can only assume I wrote it.

MR. SEVERANCE: You cannot assume anything.

THE WITNESS: That is all I can do. That is Mr. Jackson's signature.

(The paper so identified by the witness, being letter to Broderick & Bascom Rope Company, signed E. E. Jackson, Jr., supervisor, dated March 4, 1907, marked for identification "Government's Exhibit No. 65, May 9, 1912.")

THE WITNESS: That is Mr. Jackson's signature.

(The paper so identified by the witness, being letter to Broderick & Bascom Rope Company, signed E. E. Jackson, Jr., supervisor, dated January 15, 1907, marked for identification "Government Exhibit 66, May 9, 1912.")

THE WITNESS: That is Mr. Jackson's signature.

(The paper so identified by the witness, being letter to Broderick & Bascom Rope Company, signed E. E. Jackson, Jr., supervisor, dated January 10, 1907, marked for identification "Government Exhibit 67, May 9, 1912.")

THE WITNESS: I do not know whether that is Mr. Hubbard's signature or not. It does not look like it to me.

MR. DICKINSON: Very well, return it.

(The letter referred to was returned to Mr. Dickinson.)

THE WITNESS: That is not Mr. Jackson's signature. It says he was obliged to leave the office.

MR. DICKINSON: Now, I offer in evidence the papers identified by him, which have been marked 62, 63, 64, 65, 66, and 67. Now, Mr. Severance. (Handing papers referred to to Mr. Severance.)

MR. SEVERANCE: 62 and 63 are objected to as incompetent and irrelevant. It does not appear that the defendants had anything to do with the matter.

64 is objected to on the same ground, and also as an attempt to show a statement of a witness by unsworn testimony out of court.

65 and 67 are objected to on the ground they are incompetent and irrelevant.

By MR. DICKINSON:

Q. Mr. Cragin, when was the Wire Rope Association formed, what year?

A. The original association was formed about 1885, but it has been modified and changed a number of times.

Q. It was a continuing succession, though, was it?

A. Yes.

Q. Were they substantially the same members?

A. Yes, sir.

Q. State whether or not throughout that time the association required from its members a guarantee deposit?

A. During most of that time there was such a deposit required and made.

Q. Who was the supervisor of that association from 1898 down to the time it disbanded?

A. E. E. Jackson.

Q. Was he also the supervisor of all the other associations you have mentioned?

A. Yes, sir.

Q. State whether or not all those associations restricted the members to an allotment in sales?

MR. SEVERANCE: That is, restricted to allotment in sales?

MR. DICKINSON: Yes.

A. Not all of them all the time.

By MR. DICKINSON:

Q. Were there any of them at all who did that; and if so, name which ones they were.

A. The Bare Copper Wire Association worked from

about 1905 to the end of the time under an allotment arrangement.

Q. When was that time; what was the end that you speak of?

A. The Bare Copper Wire Association ended in the spring of 1909.

Q. Tell us as to the others. Go on, please.

A. The Wire Rope Association was very irregular. It acted first one way and then another way during its entire life. The Weatherproof and Magnet Association operated under allotment since some time in 1905 to its wind-up.

Q. When did it wind up?

A. In the spring of 1909. The Lead Encased——

Q. The Rubber and Lead Encased?

A. The Insulated Lead Encased did start to operate under a strict allotment arrangement. The Rubber Covered Wire Association did part of the time only. The Underground Power Cable Association did not operate under a strict allotment arrangement.

Q. Mr. Cragin, state whether or not all of them fixed a common price for the sales of their products.

A. They did.

Q. The agreement under the associaton was to continue those prices?

A. Yes, sir.

Q. You spoke of the Wire Rope Association. That disbanded when?

A. Early in 1909.

Q. Did or did not the American Steel & Wire continue to be a member of all these associations throughout the period, say from 1898 down to the time of their respective disbandments?

A. They were members of those associations.

Q. Who were the members, if you recall, of the Wire Rope Association at the time it formally disbanded?

A. The John A. Roebling's Sons Company; the Hazard Manufacturing Company; the A. Leschen & Sons Rope Company; the Broderick and Bascom Rope Company; the McCumber Whyte Rope Company; the Wright Wire Com-

pany; the Williamsport Wire Rope Company. I think that was all.

Q. All of those continued down to the time of disbandment at the period just fixed, did they?

A. Yes, sir.

Q. Who represented Broderick & Bascom at those meetings?

A. Sometimes Mr. Broderick and sometimes Mr. Bascom and sometimes Mr. Bascom's son.

Q. State whether or not before the formation of these respective associations, there had been competition among the several members of the several associations.

A. I am not in a position to state that, because prior to the dates of these associations I was located on the Pacific Coast or in Texas——

Q. And you did not know about that?

A. I was not in touch with the situation, except as a general market proposition.

Q. I will ask you whether or not you discussed with Mr. Farrell at any time the existence of these associations.

A. I do not recall any conversation with Mr. Farrell in regard to the associations.

Q. After these associations were formally disbanded, state whether or not those who had represented the several companies who were members of these associations met together at luncheons from time to time.

A. The members of some of them did; of others, not.

Q. Did you meet with them?

A. Yes, sir.

Q. Where did you meet?

A. At various places, as, for instance, different clubs here in New York.

Q. Your home was in Worcester?

A. Yes, sir.

Q. Did these meetings take place in Worcester?

A. They took place generally in the form of an invitation to luncheon.

Q. Where?

A. New York.

Q. So you came from Worcester to New York to these

lunches, at which you met the members of those companies which before the formal disbandment had constituted these associations?

MR. SEVERANCE: I object to that. The witness has said just the contrary. He said some of them met. Your question includes them all.

By MR. DICKINSON:

Q. I will change it. So you came from Worcester to New York to these lunches, at which you met representatives of some of these companies which before the formal disbandment constituted these associations?

A. Not always for that purpose; my business brings me to New York frequently, and I was frequently consulted as to when I would be over.

Q. Take the Wire Rope Association. State whom you met at these lunches who had formerly represented members of the Wire Rope Association.

A. Well, I can only give you the names in a general way, because I do not remember the particular individuals who attended any particular luncheon; but, in a general way, the Roeblings were represented there by Mr. F. W. or Mr. K. G. Roebling. As I have said, Broderick and Bascom were represented by either Mr. Broderick or Mr. Bascom. A. Leschen Sons were represented by Mr. Henry Leschen—I forget the other gentleman. The Williamsport Wire Rope Company was represented by Mr. Cochran. McCumber & Whyte Rope Company were represented by Mr. McCumber or by Mr. Whyte. The Wright Wire Rope Company was represented by Mr. George Wright. The Hazard Manufacturing Company was represented by Mr. Bridgman or Mr. North.

Q. You say those lunches took place about once a month?

A. From a month to six weeks apart.

Q. Were or not those you have named generally present at those lunches?

A. Yes, sir; the attendance generally was that list; they generally attended.

Q. Mr. Cragin, did not substantially the same people meet at these lunches who had formerly met at the meetings of the Wire Rope Association?

A. Yes, sir.

Q. State whether or not after that association was formally disbanded the prices materially changed on the wire rope products.

A. Not for a time.

Q. For how long a time?

A. Several months.

Q. Did they remain substantially the same?

MR. SEVERANCE: They must have if they did not change.

MR. DICKINSON: I think, Mr. Severance, I am asking him whether they did.

THE WITNESS: There was no serious change.

By MR. DICKINSON:

Q. There was no serious change?

A. No, sir. May I inject something?

Q. Yes.

A. You asked me a minute ago if the representatives at these lunches were the same as at our meetings when the association existed. At those meetings there was always Mr. Jackson, or a representative of the supervisor; at these luncheons there were only ourselves.

Q. Mr. Jackson was not there and had no representative there?

A. No, sir.

Q. We have asked about the Wire Rope and the prices, whether there was any substantial change. How does that answer apply to the other associations and the products which were sold by the members thereof? Was there any substantial change in those prices for several months?

A. The other associations, where the manufacturers met at these luncheons were principally copper associations, and the copper association price, as a rule, is based on the ruling market of the ingots or copper bars; and the general method of ranging prices, having relationship to the cost of the bar, was preserved. That general method was preserved.

Q. That had always been the basis of prices, even when you had the pool or association, had it not?

A. Yes, sir.

Q. Then there was no material change in prices for several months, was there, after the disbandment of that association?

A. There has not been up to this time.

Q. There has not been up to this time?

A. No, sir.

MR. SEVERANCE: I do not think the witness understood the question.

THE WITNESS: In the method of arriving at the prices.

By MR. DICKINSON:

Q. I meant the prices, and the question was whether for several months, after the formal disbandment of the Bare Copper Wire Association, there was any substantial change in the prices.

A. There was, because the price of bars had changed materially.

Q. I mean between the members of the association, as to the prices at which they sold?

A. Yes, there has been a good deal of change.

Q. When did that change begin? I am asking you now as to within the period of several months after the disbandment of the association.

A. It was several months after.

Q. Before, there was no change?

A. No marked changes.

Q. How about the Weatherproof & Magnet Wire Association? State whether or not there was any substantial change in the prices of those products for several months after the formal disbandment of the association.

A. I should say there was a little more fluctuation in the immediate future after that occurred.

Q. How about the Underground Power Cable Association?

A. There was immediate change, because nothing was done with that association.

Q. You say there was no immediate change, or that there was?

A. There was immediate change.

Q. What did you say? I did not catch it all.

A. Because there was a good deal of bitterness among the manufacturers in connection with that line of products.

Q. You mean competition?

A. Yes.

Q. After that association disbanded, there was a change, you say?

A. Yes, sir.

Q. Which change was marked by competition?

A. Yes, sir.

Q. Between those who previously had been members of that asociation?

A. And outsiders.

Q. Now, the Rubber and Lead Encased Cable Association. How about the prices after the disbandment of that Association? State whether or not there were any material changes, and, if so, when they set in?

A. There were, almost immediately.

Q. Was there competition between those who formerly had been members of that Association?

A. And outsiders.

Q. I understood you to say, however, that with some of these associations it was some months before there was any material change?

A. I should say so.

Q. Was it or was it a year or more, Mr. Cragin?

MR. LINDABURY: In what case?

MR. DICKINSON: Take the Wire Rope Association,

A. It might have been as long as a year in the case of that one.

By MR. DICKINSON:

Q. Now, what took place at these lunches besides the eating?

A. We discussed the general situation, and, as a rule, the host would make the preliminary talk, and at times he did and at other times he did not state at the table the prices that his company proposed to make or was making on that particular line of goods. Then he would call upon the different

members for an expression of opinion or for such comments as they cared to make.

Q. Did the others make any announcements?

A. Sometimes; generally.

Q. Generally they made announcements?

A. Yes, sir.

Q. Of the prices they were going to sell at?

A. Yes, sir.

Q. You made announcement for your company, did you?

A. If I was at the luncheon alone, I would.

Q. If you were not?

A. If Mr. Baackes was there, he would generally make the announcement. He did not always make it even when he was there.

Q. Either you or he always made it?

A. Yes, sir; if they were making announcements at that particular luncheon.

Q. State whether or not they generally did make announcements.

A. As a rule.

Q. Was not that the purpose of the meeting?

A. Yes, sir; but it was not invariably followed.

Q. It was not invariably followed?

A. No, sir.

Q. Was not the purpose of that to maintain prices? Was not that your understanding of it?

A. Well, the purpose was to have some idea of what the market on that line was to be.

Q. What it was to be in the future?

A. Yes, sir.

Q. And you got that idea from the announcements made by the several representatives who were there?

A. Yes, sir.

Q. Did you not understand when they made that announcement that that was the price at which they were going to sell?

A. Well, not necessarily; that was the idea, but the main object of these meetings was to get information direct rather than to get it through the very uncertain and often inaccurate source of the buyer.

Q. When you made an announcement for your company did you expect the others to rely upon your selling at that price until you gave notice of a change?

A. Yes, sir.

Q. Did you rely upon the announcements of the others in the same way?

A. Not always.

Q. Those you had confidence in, did you rely on?

A. Yes, sir.

Q. But some of them you did not rely on?

A. No, sir.

Q. Has not that always been one of the troubles of pools and agreements?

A. Very decidedly.

Q. Now, Mr. Cragin, I want to put this question to you: Did you or did you not, in February or March, 1912, state in the presence of Mr. H. E. Colton and Mr. L. R. Clark, in the Post Office Building, New York City, that on one or more occasions you had talked with Mr. Farrell concerning one or more of the wire pool associations?

MR. SEVERANCE: I object to that as an attempt to cross-examine the counsel's own witness, as being incompetent and immaterial, and no date or circumstance is fixed; the place is indefinite.

MR. DICKINSON: We regard the witness as a hostile witness, in the employ of the defendants, an unwilling witness, and we think that the precedents will fully justify the question on those grounds.

MR. SEVERANCE: Do you want to state on the record, after sitting here this morning and examining Mr. Cragin, that he has been an unwilling witness? Has he not answered you very promptly and fairly?

MR. DICKINSON: I have said that the witness is in the employment of the defendants; that I regard him as a hostile witness; that we were compelled to call him to get the information we wanted. It is from that standpoint that I ask this question.

MR. SEVERANCE: You do not now claim, do you, that there has been anything in his manner of testifying which makes it proper for you to attribute to him the attitude of being an un-

willing witness? He has answered promptly and fairly, has he not?

MR. DICKINSON: I do think that in one respect the testimony does not accord with statements that he has hitherto made, and that is the object of asking this question. Read the question.

MR. LINDABURY: Let us at least put on the record some fundamental rules of evidence; that is, than an examiner cannot cross-examine his own witness and he cannot contradict his own witness; and as to the matter of hostility of witnesses, this is the first time, in a considerable practice, that I ever heard it claimed that an examiner can subpoena anybody he pleases from the camp of his adversary and claim him to be a hostile witness for the privilege of such cross-examination as is accorded in such cases.

MR. DICKINSON: The position of the Government on that is this: That Mr. Cragin is in the employment of a company charged with conspiracy; that he has been the active representative of that company in carrying out a conspiracy contrary to law; that in order to get these facts, we have had to go to the employees of the defendants, and to those engaged in the conspiracy, and that that puts him in the attitude of a witness whom we can lay grounds for contradicting, if we see proper, on a material part of his testimony.

MR. LINDABURY: I desire, further, to protest against the practice of examining witnesses before a grand jury for the purpose of finding out in advance what they will say and then summoning them upon the trial and attempting to confront them with what they are supposed to have said under the subpoena before the grand jury; it is a practice that is somewhat worse than the old Spanish Inquisition, and contrary to all notions of such a practice as had grown up in this country or has ever been recognized here by any court.

MR. DICKINSON: Read the question.

MR. SEVERANCE: I will note the further objection that this testimony is incompetent and immaterial and not pertinent to any issue in this case, and therefore counsel cannot attempt to impeach the witness on an immaterial point.

MR. DICKINSON: Read the question.

(The stenographer read the question as follows:)

"Q. Now, Mr. Cragin, I want to put this question to you: Did you or not, in February or March, 1912, state in the presence of Mr. H. E. Colton and Mr. L. R. Clark, in the Post Office Building, New York City, that on one or more occasions you had talked with Mr. Farrell concerning one or more of the wire pool associations?"

A. I do not recognize one of those names.

(The stenographer read the names as follows:)

"Mr. H. E. Colton and Mr. L. R. Clark."

THE WITNESS: Who is L. R. Clark?

MR. CLARK: I am Mr. Clark.

A. (Continuing) I have no recollection of any such conversation. I do not know in what connection it could have occurred.

MR. DICKINSON: Take the witness.

CROSS-EXAMINATION,

By MR. SEVERANCE:

Q. Mr. Cragin, how long have you been engaged in the wire business directly or indirectly? What year did you start in?

A. 1880.

Q. You spoke of having lived for some time on the Pacific Coast, and having lived for some time in Texas?

A. Yes, sir.

Q. So at those times you were not familiar with any pooling arrangements, if any existed?

A. No, sir.

Q. From the time you left Texas, which was back in the nineties somewhere, you have been familiar with the wire business, have you not?

A. Yes, sir.

Q. Pretty thoroughly?

A. Closely.

Q. And for how many years have you been assistant sales agent of the American Steel & Wire Company?

A. About twelve years.

Q. Were you connected with the American Steel & Wire

Company at the time these pools or associations were inaugurated?

A. There had been associations prior to 1905, but there was a general reorganization that year, and several of these associations were then organized for the first time; some were reorganized and some were organized originally.

Q. It is a fact, is it not, that in each case where the American Steel & Wire Company or its representatives became a member of these associations, it did so upon the request of some other manufacturers? The Steel & Wire Company did not inaugurate the movement itself?

A. In each case, where there had not been some form of getting together previously. The Wire Rope was an old affair.

Q. I am speaking about the new ones.

A. Yes, sir; they were always solicited.

Q. Always solicited to come in, and the American Steel & Wire Company did not get up the association?

A. No, sir.

Q. It never was the leader of the movement?

A. Never.

Q. And simply came in at the solicitation of other manufacturers? That is true, is it not?

A. Yes, sir; I think without exception.

Q. Now, let us take up the associations in their order. I do not know whether I will follow the same order that my learned friend did, but I will take them up in order. Taking first the Bare Copper Wire Association, which is the one that has been the most talked about here, what companies were members of that Association, or the representatives of what companies were members?

A. The John A. Roebling's Sons Company. Then there was what we called the Brucker interests. I can give the different companies, if you wish them.

Q. Well, they all acted together, did they not?

A. All acted together as the Brucker interests. Then the Standard Underground Cable Company.

Q. Yes. Go on.

A. National Conduit & Cable Company, American Electrical Works. How many is that?

Q. That is five, calling the Brucker interests as one.

A. Yes, the Brucker interests. And the American Steel & Wire Company. I think that was all.

Q. In that Association was there any allotment?

A. Yes, sir.

Q. Of the amount that each member was supposed to sell?

A. Yes, sir.

Q. What was the penalty, if any, if any person oversold his allotment, or if any corporation oversold, and if you cannot give it in cents, give us the scheme. What was it—some amount to be paid in to the other members?

A. No, sir; the scheme was simply this: The allotments equaled a hundred.

Q. A hundred per cent?

A. A hundred per cent. If a man was over he was notified and requested to curtail his sales to bring himself in line.

Q. Was that the arrangement in the Bare Copper Wire Association?

A. Yes, sir.

Q. Suppose he did not do that, but continued to sell, was there any penalty?

A. He had a money forfeit up.

Q. Yes; that is the guarantee that has been spoken of.

A. And if he persistently oversold it was up to the members to do what they pleased as to disorganizing, and then his money, under those conditions, would be forfeited.

Q. In the Bare Copper Wire pool or association what percentage of the total output of the members was allotted to the American Steel & Wire Company?

A. About 11 per cent.

Q. That was all?

A. Yes, sir.

Q. So that the American Steel & Wire Company got only 11 per cent and the other members of the pool or association got 89 per cent?

A. Yes, sir.

Q. Which member had the largest output, if you recall, the largest allotment?

A. Of course I only knew in a general way; the figures of the others were never given out; the total figures were given

out, and the amount our own company did was given out, and it would be simply a matter of estimate.

Q. Mr. Roebling gave some estimates yesterday?

A. Yes, sir.

Q. What would be your estimate?

A. I think the Roebling Company was the largest company in that association.

Q. And which was the second?

A. I think the Standard Underground Cable Company.

Q. In that Association the American Steel & Wire Company had only 11 per cent of the total.

MR. DICKINSON: Mr. Severance, that is the Bare Copper Wire Association you are talking about, is it?

MR. SEVERANCE: The Bare Copper Wire Association.

By MR. SEVERANCE:

Q. And two members—the Roebling Company and the Standard Underground Cable Company—were each larger in their output than the American Steel & Wire Company?

A. I do not think there is any doubt about that.

Q. Outside of this association were there any manufacturers of bare copper wire?

A. Yes, sir.

Q. Dealing in the market?

A. Yes, sir.

Q. Can you name them—some of them?

A. Waclark Wire Company; Detroit Brass & Copper Company; Seymour Manufacturing Company; Rome Wire Company, of Rome, New York; and Spargo Company.

Q. According to your best opinion, from your knowledge as to the trade, about what percentage of business in wire was sold by these outsiders?

A. Ten or twelve per cent.

Q. Well, then, if ten or twelve per cent. was sold by outsiders, and the American Steel & Wire Company had only 11 per cent. of the amount of the pool, they had 11 per cent. of about 88 per cent. of the business, did they not?

A. Yes, sir.

Q. Which would be about nine per cent. only of the total business of that kind in the country?

A. We didn't figure we were doing as much as ten per cent. of the total business of the country.

Q. Now, take the weather proof and coarse magnet pool; what were the names of the members of that pool?

A. John A. Roebling's Sons Company; Standard Underground Cable Company; National Conduit & Cable Company; Hazard Manufacturing Company; American Electrical Works; Phillips Insulated Wire Company; Alfred F. Moore; the Brucker interests; the Ansonia Electrical Company.

Q. Is that outside of Bruckers?

A. Yes, sir. Bruckers is the Ansonia Copper & Brass Company; this is the Ansonia Electrical Company, Tom Wallace's concern.

MR. DICKINSON: Mr. Severance, what company are you asking about now?

MR. SEVERANCE: The Weather Proof and Coarse Magnet.

MR. DICKINSON: The Weather Proof and Magnet Wire?

MR. SEVERANCE: The Weather Proof and Coarse Magnet Wire.

MR. DICKINSON: No, it is Weather Proof and Magnet Wire

By MR. SEVERANCE:

Q. What is the name of that concern?

A. I do not think the word "Coarse" is in the association name, although that is what it was, because there was a fine magnet wire concern.

Q. It is a coarse magnet wire?

MR. DICKINSON: That is not in the name of the association.

MR. SEVERANCE: But it is the kind of product that was covered by their operations, as I understood it.

MR. DICKINSON: Well, yes.

By MR. SEVERANCE:

Q. Now, have you named all of them? The last one you named was the Ansonia Electrical Company.

A. Tell me how many there are there, Mr. Severance.

Q. There are ten, including the American Steel & Wire Company.

A. I think that is all. The Brucker interests were two.

Q. That is all that you remember?

A. Yes, sir.

Q. Now, taking the Weather Proof & Magnet Wire Pool or Association, what was the allotment of the American Steel & Wire Company?

A. I am not distinct on that, but my recollection is that it was about 12 per cent. It was not far from that.

Q. Were you the largest in your output of that kind of product?

A. No, sir.

Q. Who was the largest in the association?

A. I should say the Brucker interests.

Q. Who were next?

A. Either the Standard Underground or Roeblings. One or the other would be the next, and they would be the next two. I do not know which position they occupied as between each other.

Q. Then they were, all three—that is, the Brucker, Roeblings and Standard Underground—larger in interest in that association than the American Steel & Wire Company?

A. To the best of my knowledge and belief, without any definite figures.

Q. Were there any outside concerns selling that kind of goods?

A. Yes, sir.

Q. Who were they?

A. The Waclark Company; Collier Insulated Wire Company; the American Insulated Wire Company; the Chicago Insulated Wire Company, and one other little Western concern, I do not remember the name.

Q. Did you mention the General Electric?

A. The General Electric; they were outside.

Q. What percentage of the total sales in the market of that kind of wire was handled by these outsiders, the ones not in the Association, according to your best judgment?

A. From 12 to 15 per cent.

Q. Then, in that association the American Steel & Wire

Company had only 12 per cent of the allotment, and were fourth in size, and controlled only twelve per cent of about 85 per cent of the business of the country. Is that right?

A. Yes, sir.

Q. That would be about——

A. A shade over ten per cent.

Q. Not over ten per cent?

A. About ten per cent, possibly a little larger per centage than we did in bare copper, but very little more.

Q. Take the Rubber Covered Wire Association. Who were the members of it?

MR. DICKINSON: You mean the Rubber and Lead Encased?

MR. SEVERANCE: No; those are separate.

THE WITNESS: That is different. You are asking about the rubber covered wire?

MR. SEVERANCE: Yes.

By MR. SEVERANCE:

Q. Who were the members of the Rubber-Covered Wire Association?

A. John A. Roebling's Sons; the Crescent Insulated Wire Company; the Simplex Electrical Company; the Standard Underground Cable Company; the General Electric Company; the Hazard Manufacturing Company; the Marion Insulated Wire Company; the Indiana Insulated Wire Company.

Q. And the Safety?

A. The Safety Insulated Wire & Cable Company; the New York Insulated Wire Company. Of course the American Steel & Wire Company.

Q. Is that all you remember?

A. That is all I remember at the moment. The Habirshaw Wire Company, also. I think that is all.

Q. In that association what percentage of the total business was left to the American Steel & Wire Company?

A. A little less than eight per cent.

Q. Was the American Steel & Wire Company the largest in output in that association.

A. No, sir.

Q. Will you state, to the best of your ability, the names of those that were larger?

A. The Safety Insulated Wire & Cable Company; the Simplex Electrical Company; the New York Insulated Wire Company.

Q. How about the Roeblings?

A. I should rather say they were larger, especially at that time.

Q. How about the Standard Underground Cable Company?

A. They were larger?

Q. They were larger?

A. Yes. I think the Roeblings and ourselves were pretty close.

Q. But there were four, namely the Safety Insulated, the Safety Underground, the New York Insulated, the Simplex Electrical, that were larger than the American Steel & Wire Company?

A. I think so.

Q. And the only other one that there is a question about in your mind is the Roebling Company?

A. Yes, sir.

Q. You do not know whether they were larger, or about the same size that you were?

A. I should say that we were very close together.

Q. Were there outside manufacturers engaged in that business?

A. A great many.

Q. I have a list here that I will read you, if there is no objection.

MR. DICKINSON: I do not object.

By MR. SEVERANCE:

(Continuing.) I will ask you whether the following outside manufacturers were engaged in that business of rubber covered wire: The Atlantic Wire & Cable Company; the Keyrite; the Oconite; the Diamond Rubber Company; the Bourne Company; the Waterbury Company; the Detroit

Insulated Wire Company; the American Electric Works; the Boston Insulated Wire Company; the Bay State Insulated Wire Company; the Consumers' Rubber Company; the Collier Insulated Wire Company; the Home Insulated Wire Company?

A. Yes, they were all. I have thought of another member——the National India Rubber Company.

Q. Are all of these outside companies competing with members of the association?

A. In their respective lines. Some of them do not make an entire line, but they all compete in a way.

Q. What percentage of all the business was done by these outside companies?

A. That would be purely an estimate. I should say in the neighborhood of 35 per cent would be a fair figure.

Q. That would leave about 65 per cent for the members of the association?

A. Yes, sir.

Q. And of that 65 per cent you had eight per cent?

A. Yes, sir.

Q. So you had only about five per cent of the total business in the market of that kind of commodity?

A. I do not think we had more than that.

Q. You did not dominate that industry, then, did you?

A. No, sir; and never have.

Q. Now, take the Underground power Cable Pool or Association. That made insulated lead encased wire?

A. Yes, sir.

Q. Who were the members?

A. The National Conduit & Cable Company; the Standard Underground Cable Company; John A. Roebling's Sons Company; and ourselves.

Q. Just the four companies?

A. That is all I remember.

Q. What was the allotment of the American Steel & Wire Company in the Underground Power Cable?

A. About 12 per cent.

Q. Which, if any of these other companies——the National, Standard, and Roeblings,——had a larger allotment, or had a larger business, to your knowledge?

A. I think they were all doing more than we were.

Q. At any rate, the other three divided 88 per cent between them?

A. Yes, sir.

Q. And you only had twelve per cent.?

A. We only had about 12—no, I have that wrong; I think we had more than that.

Q. I am asking you now about the Underground Power Cable.

A. I am wrong in that percentage, because I remember now that we had more than 12 per cent. We had about 24 per cent., I think.

Q. You had a little less than a fourth, then?

A. Yes, and I think that as to at least one of the others the output would be very close to ours. I do not know whether it would exceed us or not, but at least two of them exceeded us.

Q. You had a little less than a fourth in the pool, then; out of 100 per cent. you had 24 per cent.?

A. Yes.

Q. Was there any outside manufacturer engaged in that business?

A. Yes.

Q. What was the name of the company?

A. The Waterbury Company.

Q. About what percentage of the entire business did that company do?

A. That would be simply a guess.

Q. What is your best estimate?

A. I would say that they did about 12-1/2 per cent., or about one-eighth.

Q. What was the class of customers of the Underground Power Cable Association?

A. Street railways. One of the largest orders we ever had was here in New York for the subway. This underground power cable distributes power into the service rail or the trolley.

Q. It is a product that is only sold to very large buyers?

A. Yes, sir; generally in large lots.

Q. That is, it is not a thing in which the general public is interested as a buyer?

A. No, sir.

Q. There are only a few large concerns that buy this particular product?

A. The New York Edison is a very large buyer of that material. It distributes electricity for light and power here in New York.

Q. Take the Lead Encased and Rubber Insulated Association. Who were the members of that?

A. The Simplex Electrical Company——

MR. DICKINSON: You mean the Rubber and Lead Encased?

MR. SEVERANCE: The way it is, the Lead Encased and Rubber Insulated.

MR. DICKINSON: No; it is Rubber and Lead Encased.

THE WITNESS: Rubber Insulated and Lead Encased.

MR. DICKINSON: Is that the name of it?

THE WITNESS: Yes, sir. Simply the order of the manufacture. The material is insulated and then lead encased.

By MR. SEVERANCE:

Q. Well, it is rubber insulated and lead encased, that is the association we are talking about now. Who are the members of that?

A. The Simplex Electrical Company; the Standard Underground Cable Company; the J. A. Roebling's Sons Company, and ourselves. Also the General Electric Company, the American Electrical Works. I think that is all.

Q. The National is not in it?

A. No, sir; they made no rubber.

Q. What was your allotment in that association?

A. As I recall it, about 15 per cent.

Q. I have a note of 11.

A. I think we had more than that.

Q. About 15 per cent.?

A. Yes, sir.

MR. DICKINSON: You mean the American Steel & Wire Company is 15 per cent.?

THE WITNESS: Yes.

By Mr. Severance:

Q. Were there any outside manufacturers of that commodity?

A. The Waterbury Company.

Q. About what percentage of the business did they do?

A. Oh, I should say 10 per cent.

Q. So that you had about 15 per cent. of 90 per cent. of the business?

A. Yes, sir.

Q. Which would be between 13 and 14 per cent., according to your judgment?

A. Yes, sir.

Q. Now, the Wire Rope Association. I did not ask you about that. Mr. Roebling testified concerning that yesterday?

A. Yes, sir.

Q. So I will not go through the list of the names again, but what was the percentage of the American Steel & Wire Company in that association, if you know?

A. That was frequently changed, owing to the method of arrangements in that association. We had, as a rule, in the neighborhood of 22 or 23 or 24 per cent.

Q. 22, 23 or 24 per cent.?

A. Yes.

Q. Was that wire rope pool an old pool?

A. Yes, sir.

Q. Or association?

A. Yes, sir.

Q. Was that organized prior to the organization of the United States Steel Corporation?

A. Yes, sir.

Q. How long before, if you know?

A. As near as I can recollect, it was organized in '85.

Q. In 1885?

A. Yes, sir.

Q. Did it continue until the time it was terminated?

A. Practically all the time.

Q. Then it was organized before the American Steel & Wire Company was organized?

A. Yes, sir.

Q. And that company became a member of it upon its organization?

A. When it absorbed the Washburn & Moen Manufacturing Company.

Q. The Washburn & Moen Manufacturing Company had been a member before?

A. Yes, sir; a good many years.

Q. Now, about these other concerns, these other associations or other producers; you said that they were reorganized from time to time. Had there been in each case, in the case of each kind of output covered by these associations, some kind of an association of some character for many years?

A. Not in the case of the Underground Power or the Rubber Insulated Lead Encased.

Q. Besides those two, perhaps I had better take each up in their order.

A. Yes, sir.

Q. When was the first association of the Bare Copper Wire?

A. Back in the 90's.

Q. Prior to the organization of either the American Steel & Wire Company, this defendant here, or of the Steel Corporation?

A. There had been associations on that product.

Q. That is what I mean.

A. But the association that was in existence in 1906 or 1907 was the one which was organized in 1905.

Q. But there had been associations before that?

A. There had been associations before; several.

Q. And in the case of the Weatherproof and Magnet Wire?

A. Back in the 90's.

Q. Continuing intermittently.

A. Intermittently.

Q. And Rubber-Covered?

A. I do not think the Rubber Covered people got together before 1905.

Q. And the Rubber Insulated and Lead Encased?

A. Not formerly.

Q. Underground Power Cable?

A. The same—not formerly.

Q. You were asked by Judge Dickinson something about these luncheons that were had after the dissolution of the pools or associations. Before I go into that, I will ask you when the American Steel & Wire Company withdrew from these various associations.

A. I think it was in the spring of 1909.

Q. Was it the first to withdraw in each case?

A. In all cases, except the Rubber Covered.

Q. The Rubber Covered?

A. Yes, sir.

Q. When was the Rubber Covered broken up?

A. When we withdrew, shortly after we withdrew.

Q. What company withdrew first from that?

A. The Oconite went out and in once or twice, and the National India Rubber Company went out.

Q. Then at the time that the association broke up, you went out?

A. Yes, sir.

Q. You went out of all these pools or associations in the spring of 1909?

A. Yes, sir, at intervals of two or three months?

Q. Did all these associations immediately break up when you went out, or did some one continue for a time afterwards, at least so far as you know?

A. At least one continued for some months afterward.

Q. Which one was that, if you remember?

A. I think both the Rubber Covered and the Weatherproof continued.

Q. For a few months?

A. Yes, sir.

Q. So far as you were concerned you had nothing more to do with any of them after the spring of 1909?

A. No, we had nothing more to do with them.

Q. You were asked about attending these luncheons and about certain statements which were made. Did you agree or promise at any time, at any of those luncheons, that you would for any stated length of time maintain the prices that you announced as your prices at the time of those luncheons?

A. No, sir.

Q. Were you under any obligation to maintain that price further than such time as you saw fit to change it?

A. No.

Q. Did you frequently, after having stated your price at these luncheons, change that price afterwards?

A. We did do so.

Q. You notified the other members, by telephone or otherwise, whenever you did it?

A. We endeavored never to change our price that had been announced without advising our associates.

Q. But you did not promise to maintain it?

A. No, sir.

Q. You stated your position at the time, and reserved to yourself the full power to do what you pleased afterwards?

A. Absolutely.

Q. Was there any arrangement or understanding at any of those luncheons as to the amount of your output? I mean, was there any statement that you would not put out more than a certain amount of goods?

A. No, sir.

Q. You were absolutely free from any kind of suggestion that you would not go ahead and get all the business you could?

A. Absolutely.

Q. Was there active competition between all of these companies after the dissolution of these associations in the matter of securing all the business they could?

A. Yes, sir.

Q. Without reference to any previous allotments that had existed under the association?

A. Absolutely; the allotment was dropped.

Q. Absolutely dropped?

A. Yes, sir; it did not influence us in the slightest.

Q. Each former member, after the dissolution of these associations, sought to get all the business he could?

A. Yes, sir.

Q. Was there active competition in the quality of the output of the various members, each seeking to put out the best quality he could and make representations as to that quality?

A. Some of them did.

Q. Did you?

A. Yes, sir.

Q. That is, there was no string on you at all?

A. None whatever.

Q. Is the question of quick delivery an important element in competition?

A. Not only that, but of warehouse stocks scattered all over the country.

Q. For the purpose of making quick deliveries of your goods do you maintain warehouses in the various parts of the country?

A. A great number of them.

Q. Is that something that you use in the trade in your endeavors to get business away from your competitors?

A. Constantly.

Q. And is the competition now active between the American Steel & Wire Company and all of these other companies as to all of the products which were formerly covered by these associations?

A. Yes, sir.

Q. And has it been since the time the pools were disbanded?

A. Very active.

Q. During the time those pools were in operation were you ever given advice by Mr. Jackson, the lawyer here in New York, who acted as supervisor, with reference to the legality of these associations?

A. The subject was frequently discussed in our meetings, and Mr. Jackson always expressed himself as entirely convinced that nothing was being done that was not within the limits of the law. In fact, he has quoted the opinion of other counsel, as I remember it.

Q. He quoted the opinion of other counsel on that subject. You have been asked as to whether you had communicated any facts with reference to these pools to Mr. Farrell. Now, I will ask you whether, to your knowledge, Judge Gary, the Chairman of the Board of the Steel Corporation had any knowledge whatever of the existence of any of these Asso-

ciations until in the spring of 1909, at or about the time they were done away with.

MR. DICKINSON: You understand, he is asking as to your knowledge.

MR. SEVERANCE: That is what I said.

A. I have no knowledge that he did have; no information that he did.

By MR. SEVERANCE:

Q. No information that he did?

A. No.

Q. Did you ever disclose to Judge Gary, or any of the other head officers or directors of the Steel Corporation, your connection with these associations?

A. I never spoke to any of them on the subject.

Q. Nor wrote to them on the subject?

A. No, sir.

MR. SEVERANCE: All right. That is all, Judge.

REDIRECT EXAMINATION,

By MR. DICKINSON:

Q. Mr. Cragin, you were asked whether or not the American Steel & Wire Company ever got up any of these associations. Were you the representative, the only representative of the American Steel & Wire Company in the matter of entering associations of this character?

A. No, sir.

Q. Do you undertake to say that no other officer or representative of this Company had anything to do with getting up these associations.

A. No, sir.

Q. You only speak, then, so far as your own participation is concerned, do you?

A. In connection with these associations to which you have called my attention.

Q. And you have not undertaken to say that no other officer or representative of the American Steel & Wire Company had anything to do with the formation of those associations?

A. I don't think that any other officer had anything to do——

Q. I am not asking you what you think. I am asking you what you know.

A. Do you refer to these associations, or any associations?

Q. I mean any of the associations that were named. Do you undertake to say that no officer of this company at any time when you were not present, had anything to do with getting up these associations?

A. I don't know that they did.

Q. Well, you do not know that they did, or that they did not, do you?

A. No. I don't; but I have no information that they did.

Q. All you know is that you had nothing to do with it?

A. Yes, sir.

Q. And you are not undertaking to speak for any of the others?

A. Not for what they did that I didn't know about.

A. And so far as you know they may have done so, may they not?

A. No; so far as I know they did not do so.

Q. Well, how far did your knowledge go? Did they tell you everything they did?

A. No, sir; but from what they did tell me and what I knew of what they did, they did not.

Q. So far as you knew from what they told you and what they did, they had nothing to do with it?

A. That is right.

Q. But you are not undertaking to say that they may not have done things without your knowledge?

A. Oh, no, sir; by no means.

Q. Now, you have undertaken to state——

MR. SEVERANCE: Judge, I do not think you ought to put a question that way, do you, "You have undertaken"?

MR. DICKINSON: Yes, I do.

MR. SEVERANCE: He has stated very frankly and plainly, and has not undertaken anything.

MR. DICKINSON: You do not know what I am going to say.

MR. SEVERANCE: I am sure you would not put a question in that form.

MR. DICKINSON: Yes; I will state it in that form.

MR. SEVERANCE: That is not a polite form, and you are a polite man.

By MR. DICKINSON:

Q. You have undertaken to state that at times there were outsiders who sold a certain percentage of products which were also sold by the respective parties to these associations. Now, what period did you intend to cover by those percentages—any particular year?

A. No, sir.

Q. Did they maintain those percentages throughout the time that these associations existed or not?

A. That is an estimate of what we were up against.

Q. What you were up against?

A. Yes, sir.

Q. All the time?

A. Yes, sir.

Q. For instance, you have named——

A. The members of these associations, among other things, would discuss and compare notes as to what percentage of the gross business of the country they were doing. They would compare them.

Q. Now, you have stated certain outsiders who were making products that were variously made by these different associations?

A. Yes, sir.

Q. Were all those outsiders engaged throughout the whole period of the existence of these associations, or did some new ones come in and some old ones go out?

A. Some came in and some went out.

Q. So you do not mean to say that those you named were throughout the entire time comeptitors or members of the association?

A. The figure I gave was the estimate of what was done by the association. Consequently, when Mr. Severance asked me what the outsiders did, I simply deducted what we did from 100.

Q. Were you giving an estimate for any particular years?

A. No, sir.

Q. Or an average for the whole time?

A. I was giving a general idea as to what the relation was.

Q. Just a general idea?

A. Yes, sir.

Q. Did you base that upon any figures?

A. No, sir; I didn't have any figures; we never got figures from outsiders.

Q. Just a general rough estimate on your part?

A. Yes; the only way that anyone could get it.

Q. Now, was that estimate an average of the whole period or for any particular year?

A. An average.

Q. An average of the whole period?

A. Yes, sir.

Q. You say you did not even know the allotments of other members?

A. No, sir; in some associations.

Q. In some associations?

A. Yes, sir.

Q. How were those allotments made?

A. By the amount of business done in a fixed period prior to the organization.

Q. Who made the allotments?

A. The supervisor.

Q. So that matter was entrusted entirely to him, and to each different member who got the allotment, was it?

A. To the honesty of the figures submitted.

Q. And the others were bound by his action in that respect?

A. Yes, sir.

Q. Now, in regard to the Rubber Covered Wire Pool, you said that the outsiders sold about 35 per cent. Is that purely an estimate on your part?

A. Yes, sir.

Q. You have no figures by which to verify that?

A. Only comparison of figures.

Q. You have no figures with you?

A. No, sir.

Q. And so far as you are now stating it is purely an estimate, is it?

A. Yes, sir; based on recollections of the discussions that were frequently had.

Q. What of those associations continued after the American Steel & Wire Company announced its withdrawal?

A. As I remember it, the Weatherproof & Rubber Covered Wire Association continued for some little time after we drew out.

Q. You say that at these lunches there was no agreement entered into to maintain prices. Did you rely on the other members selling at the price at which they announced they were going to sell, until they gave you notice of change?

MR. SEVERANCE: You asked him that before, and he said he relied on some of them.

A. We relied on some of their statements. We never hesitated to take up items of information that came to our knowledge and ask them about it.

By MR. DICKINSON:

Q. Ask them about what?

A. Whether they had made such and such a price in such and such an instance despite their announcement.

Q. You mean if they made an announcement at the meeting and you heard they sold below that, you never hesitated to take it up with them?

A. Yes, sir.

Q. You did take it up with them?

A. Yes, sir.

Q. For the purpose of ascertaining whether or not they had sold at a lower price than the price that they announced at the meeting?

A. Yes, sir.

Q. You said that there was active competition in respect to the delivery and the character of products after the Association broke up. How about prices?

A. There was more or less competition in prices.

Q. More or less?

A. Yes.

Q. How was it generally as to prices? Were they uniform or not?

A. In certain lines.

Q. What lines?

A. Wire rope; at times the market was steady. At other times it was not.

Q. What do you mean by saying the market was steady?

A. I mean that the schedule prices, as we promulgated them among our own salesmen, were not cut sufficiently but what we got our share of the business.

Q. You mean by steady that those prices were generally maintained?

A. Yes, sir.

MR. DICKINSON: That is all.

RE-CROSS EXAMINATION.

By MR. SEVERANCE:

Q. There was one thing I neglected to ask you, Mr. Cragin. Mr. Roebling went on the stand yesterday and testified with reference to the margin over and above the cost of the copper ingot that was obtained ordinarily for wire.

A. Yes, sir.

Q. What is your understanding about that?

A. The prices that we have used for a good many years now have been based on a cent and a quarter a pound above the price for ingots delivered at the mill. Out of that cent and a quarter on base sizes, that is, the larger sizes, we made free delivery in quite a large territory, a large part of New England, New York, Pennsylvania, as far west as Pittsburg; and we also allowed a cash discount. A cent and a quarter a pound is equal to $25 a ton. Ingot has not sold less than $240 a ton for a long while, and is to-day selling at $320 a ton. Now, out of that $25 we frequently allow as much as $5 for freight, $1.50 for cash discount, so you can see the margin of profit.

Q. So that gives you, when you buy a ton of ingot and pay $320, now——

A. For that we pay $320.

Q. You get in the New England territory, or this territory here, how much?

A. We would get for that $340.

Q. Then you allow, out of that, a discount of $1.50?

A. About $1.50.

Q. That would leave you $338.50; and out of that difference of $18.50, between what you pay for the copper and what you get for it, you have to pay for the expense of manufacturing the wire?

A. Wait a minute. The ingot, hot rolled to the rod, and the rod drawn cold to the wire——

Q. And packing?

A. Yes.

Q. And general expenses?

A. Did you take out the freight?

Q. Yes; the freight. You said you got $25; $5 off for freight, and $1.50 discount?

A. Yes; that is right.

Q. That leaves you, then, $18.50 on this ingot?

A. Yes.

Q. For the whole expense of running your wire mill?

A. What we call conversion.

Q. What is the size of an ingot?

A. An ingot is a large slab, about that long (indicating).

Q. You are indicating about four feet?

A. Four inches by four inches, and about that long.

MR. DICKINSON: You are speaking of a copper bar?

THE WITNESS: Yes.

By MR. SEVERANCE:

Q. The copper bar or ingot is about four inches wide, four inches deep and four feet long? ?

A. Yes.

Q. And you take it in that shape and make it into fine wire?

MR. DICKINSON: Not into fine wire. Never into fine wire from that shape.

By MR. SEVERANCE:

Q. First into rods, and then drawn into wire?

A. Yes; No. 8 wire.

MR. LINDABURY: First into rods by heat, and then into wire, cold.

By Mr. Severance:

Q. That is all the excess price there is over your investment, and out of that excess you have to pay the expense of installing the mill, running the mill and selling and packing your product?

A. Yes; and that is the price when we get full schedule. Whenever it is cut it reduces it that much more.

Q. I merely wanted to bring out the fact to show that copper is sold at a very close margin.

A. Yes.

Q. It is, is it not?

A. Yes.

Q. The profits are very small?

A. Yes.

Q. I forgot one thing when I was examining you before, and that is this question as to the destruction of the papers, the burning up of the papers. It slipped my mind, and Mr. Lindabury now calls my attention to it. Judge Dickinson, you do not mind my taking it up now?

Mr. Dickinson: Not at all.

By Mr. Severance:

Q. You were asked by counsel for the Government with reference to the destruction or burning of a lot of documents relating to these associations?

A. You mean there at the Federal grand jury?

Q. No. You were interrogated about your giving orders for their destruction, and when it was done, and Mr. Baackes' visit there, and so forth?

A. Yes, sir.

Q. How did those papers happen to be in this trunk which has been talked about? Were they put in that trunk and brought down to New York and submitted to the District Attorney?

Mr. Dickinson: Let the witness answer.

Mr. Severance: I am asking him a leading question.

Mr. Dickinson: He is really your witness, I think.

Mr. Severance: No, he is not. You subpœnaed this witness, I understand. I am cross-examining him. I will let

that question go out, however, and put it in different form.

By Mr. Severance:

Q. Did you know anything about those papers that were burned up there being sent to New York?

A. Yes, sir; I brought them here.

Q. When did you bring them to New York?

A. In May or June, 1911.

Q. For what purpose did you bring those papers to New York?

A. I was instructed to bring them.

Q. And for what purpose were they brought here?

A. For submission to the Federal grand jury. Mr. Colton, representing the Government, wanted them.

Q. Mr. Colton or Mr. Wise?

A. I should say Mr. Wise. That was my mistake.

Q. The District Attorney?

A. District Attorney Wise.

Q. Were those papers turned over to Mr. Wise after you brought them down to New York?

A. Yes, sir.

Q. How long did he have them, if you know?

A. Several weeks.

Q. When did you first see the papers again?

A. On their arrival in Worcester. They were sent up there from New York by freight.

Q. When was that?

A. In September or October of that same year.

Q. In the meantime you had been down here as a witness before the grand jury?

A. I examined the papers in the District Attorney's office.

Q. You examined those papers?

A. Yes, sir.

Q. You, yourself, did?

A. Yes.

Q. Had you appeared as a witness before the grand jury? I am not asking what you testified to, but did you appear as a witness there?

A. Yes.

Q. Had indictments been found against a number of different individuals?

A. Yes, sir.

Q. Was Mr. Wise present in the office when you examined those papers?

A. No, sir. His representative was.

Q. Who was his representative; what was his name?

A. Mr. Crim.

Q. What was his position?

A. He was Mr. Wise's assistant.

Q. Did you explain the papers to him?

A. Yes, sir.

Q. And showed them to him?

A. We were going through them and arranging them.

Q. You were going through them and arranging them in order, so that they could easily be presented to the grand jury?

A. He had full access to them, and was sorting them out, looking through them and seeing what he wanted, and studying them. I was there to kind of assist him.

Q. You were assisting him?

A. Yes.

Q. You were a kind of an assistant district attorney for a while?

A. No, sir. I was just there to help.

Q. You were helping to assist the district attorney in getting the papers in shape? That is true, is it?

A. I think there was a representative of our company there, too.

Q. When you brought those papers down here, where did you find them in your office at Worcester?

A. I had my different assistants that kept tract of these different associations gather them together, and they brought them into my office. The reason I put them in the trunk was this: I intended to put them into a box and ship them by freight or express, and I got hurry-up instructions that said they must have the papers there the next day. We have a wretched express service between Worcester and New York, and I said right away, "They will never get there tomorrow." So the thought occurred to me to send home and get one of

our old packing trunks and put them in there, and take them down as baggage with me that night. That is the way they came to be in the trunk.

Q. But, in order to get them down here, you went all over the works to get them?

A. No, sir; to our files.

Q. Yes; to your files, I mean. And you got what papers?

A. Everything that we had that bore on the subject contained in our instructions.

Q. That was everything that bore on these associations?

A. Yes, sir; I gathered up everything.

Q. You gave the government access to everything, in the way you stated?

A. We had nothing that we knew of that we did not put into the trunk.

Q. And you brought it down here?

A. Yes.

Q. And you then went over them with the Assistant District Attorney?

A. Yes, sir; and left them in his possession.

Q. And left them in his possession?

A. Yes, sir.

Q. And they were sorted and arranged there so that they could be easily handled?

A. Yes. I explained the files, what he wanted, showed him our marks, and everything like that.

Q. So as to put him fully in possession of all the facts?

A. Yes.

Q. That is true?

A. Yes.

Q. Following that, you appeared before the grand jury?

A. Yes.

Q. And Mr. Baackes appeared before the grand jury?

A. Yes.

Q. And a large number of men were indicted?

A. Yes.

Q. And those cases were disposed of?

A. They were settled.

Q. And these men were fined?

A. Yes.

Q. And it was after that had all transpired that the papers came back to Worcester and you destroyed them?

A. Some time after that.

Q. Did you have any idea, at the time that those papers were destroyed, that they would ever be needed again?

A. Absolutely none. I thought it was a closed case.

Q. The case had been presented, indictments found, and the people had been fined?

A. Yes. It was a joke with us, because they were all done with. They made a lot of trouble, but it was over.

Q. You have stated that Mr. Baackes told you to have those papers destroyed?

A. Yes, sir.

Q. And you stated what you said to him?

A. Yes, sir.

Q. Did you instruct Mr. Whitney to destroy them?

A. I did. Not only that, but I told him that we had the right to go through them and select anything that we might need in our current business out of the trunk and retain it; that the instructions to destroy were not absolute; that we had Mr. Baackes' authority and permission to retain anything that we might need in the conduct of our business in the future. He went through it in a general way. He was very familiar with the papers, and he decided that there was nothing that would be of any material use to us in the future in the conduct of our business.

Q. And so they were destroyed?

A. And so they were destroyed.

MR. SEVERANCE: That is all.

MR. DICKINSON: We will proceed with our examination after lunch.

(Whereupon, at 12:30 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

At the expiration of the recess the hearing was resumed. Testimony of George A. Cragin resumed.

RE-CROSS EXAMINATION (continued),

By Mr. Severance:

Q. You and Mr. Baackes were down here and testified this spring before the grand jury which was investigating the destruction of these papers, were you not?

A. Yes, sir.

Q. What month was that?

A. I could not say, but this spring—no, it was last winter.

Q. On the stand this morning you spoke about being before the grand jury and Mr. Baackes being before the grand jury. That was the time you meant?

A. Yes, sir.

Q. Neither you nor Mr. Baackes was before the grand jury last summer?

A. No.

Q. It was this last winter, that you went before the grand jury on the question of the destruction of these papers?

A. Yes, sir.

Q. The time that you were up there and looked at the papers, when the assistant district attorney was looking them over, was last summer?

A. Yes.

Q. About the time of the finding of the indictment?

A. Just previous.

Mr. Severance: That is all.

REDIRECT EXAMINATION.

By Mr. Dickinson:

Q. You do not mean, then, to convey the impression that when you examined these papers with Mr. Crim, you then went before the grand jury, before they were sent back to Worcester?

A. No, sir.

Q. You did not mean that in your original examination?

A. No, sir.

MR. DICKINSON: I wanted to make that clear.

MR. SEVERANCE: I thought it was a little ambiguous, this morning, so I wanted to clear it up.

By MR. DICKINSON:

Q. Did you conduct any correspondence with Mr. Farrell?
A. At what time?
Q. In 1906?
A. Yes, sir.

MR. DICKINSON: That is all.
MR. SEVERANCE: That is all.

FRANK BAACKES,

called as a witness in behalf of the United States, having been first duly sworn, testified as follows:

By MR. COLTON:

Q. What is your position?
A. Vice-President and General Sales Agent of the American Steel & Wire Company.
Q. What is your age?
A. 49 years.
Q. How long have you been in this country?
A. Since 1879.
Q. What did you do when you came to this country?
A. I went with the H. P. Nail Company of Cleveland, Ohio.
Q. Who were the officers of that company?
A. S. H. Chisholm, Cliff Beach, and my brother.
Q. What were their respective positions?
A. President, Treasurer and General Superintendent.
Q. In the order named?
A. Yes, sir.
Q. How long were you with that company?
A. Until the early part of 1884.
Q. What did you do in 1884?
A. I took a position as manager for the Hartman Steel Company, Beaver Falls, of their wire department.

Q. In what were you engaged from 1884 to 1896 and with what companies?

A. As I said, I was with the Hartman Steel Company in 1884.

Q. How long were you with that company?

A. Until the fall of 1885. Then I organized the Salem Wire & Nail Company of Salem, Ohio.

Q. And you were with that company until the time it was taken into the American Steel & Wire Company of Illinois?

A. Yes, sir.

Q. Were you in the wire nail pool of 1896?

A. I was.

Q. What were the names of the different companies in that pool?

A. The H. P. Nail Company; the American Wire Nail Company; the Consolidated Steel & Wire Company; the Grand Crossing Tack Company; the Bellefont Nail Company; Norton Iron Works; Kelly Iron & Nail Company; Oliver Iron & Steel Company; A. R. Whitney & Company. I guess that is about all that I remember.

Q. I will give you a listing statement here, and you will observe that this listing statement gives the original company, and I would like you to name the original companies—all of those companies which subsequently went into the American Steel & Wire——

MR. LINDABURY: Is that Exhibit No. 1?

MR. COLTON: This is Exhibit No. 1.

THE WITNESS: What did you ask me?

By MR. COLTON:

Q. I asked you to look through that list of companies and name the different companies there that were in the nail pool in 1896.

A. The American Steel & Wire Company——

MR. COLTON: If you will look at the later list, you will find the name there. Let me point it out to you.

MR. SEVERANCE: You do not want that answer to stand, do you? You just said the American Steel & Wire Company.

THE WITNESS: No. They were not in existence at that time.

By MR. COLTON:

Q. Go ahead and give the names of the companies.

A. The American Wire Nail Company; the I. L. Ellwood Wire & Nail Company; the Consolidated Steel & Wire Company; the H. P. Nail Company; the Salem Nail Company; the Newcastle Wire Nail Company.

Q. The A. R. Whitney Company you have already named?

A. Yes. I think that is all.

Q. Before those companies entered that pool they were in active competition with one another?

A. As far as the location and tariffs permitted it, yes.

Q. Was that competition keen?

A. It was competition.

Q. Was it destructive?

A. No.

Q. Healthy?

A. We always made money under it.

Q. What did you form a pool for?

A. To make more money.

Q. You wanted to raise prices?

A. That was the object.

Q. And when the pool broke, what did you want to do?

A. We took care of ourselves the best way we knew how.

Q. Was Mr. Gates connected with any one of those companies you have named?

A. Yes, sir.

Q. Was Mr. Gary connected with any of those companies you have named?

A. No, sir.

Q. Was he not counsel for the Consolidated Steel & Wire Company?

A. Not that I know of.

MR. LINDABURY: Was a lawyer connected with it, connected with the pool?

MR. COLTON: I did not say a pool; I said a company.

MR. LINDABURY: Oh, I misunderstood you.

By MR. COLTON:

Q. Was Colonel Lambert connected with it?

A. Yes.

MR. LINDABURY: Connected with it, you say; what do you mean?

MR. COLTON: Not with the pool, with the Consolidated Steel & Wire Company.

THE WITNESS: He was connected with the Consolidated Steel & Wire Company.

By MR. COLTON:

Q. What was his position?

A. I do not know, because I was not connected with them at that time.

Q. Where was Mr. Farrell at that time?

MR. LINDABURY: What time?

MR. COLTON: 1896.

A. He was manager of the Pittsburg Wire Company, to the best of my recollection.

Q. Where is that located—near Pittsburg?

A. That was in Pittsburg.

Q. And the Salem Wire & Nail Company is near Pittsburg?

A. Salem, Ohio.

Q. What was the general effect on prices of the wire and nail pool during the time that it lasted?

A. They were higher.

Q. Are you familiar with this Iron Age table that is gotten out from time to time?

A. Yes.

MR. LINDABURY: You are handing the witness a chart?

MR. COLTON: I am handing the witness a chart.

MR. LINDABURY: Published by the Iron Age?

MR. COLTON: Yes.

MR. LINDABURY: What date?

By MR. COLTON:

Q. Would you read the dates there?

A. 1896 to 1904.

MR. LINDABURY: I had better look at it. Have you your spectacles, Mr. Baackes?

THE WITNESS: I have.

MR. LINDABURY: Put them on.

MR. COLTON: What is the object of this inquiry if I may ask? To test him whether ke knows about this table?

MR. LINDABURY: I was handing it to him.

MR. COLTON: May I look at the table for a moment?

MR. LINDABURY: I thought you were handing it to him to look at it.

MR. COLTON: I did want him to look at it.

By MR COLTON:

Q. I would like you to explain the table there.

MR. SEVERANCE: I suggest that you have these tables identified.

MR. COLTON: I was going to ask the witness to identify it.

MR. LINDABURY: I understand he has withdrawn the question.

MR. COLTON: I will withdraw the table and get a table that carries farther back.

MR. SEVERANCE: I think the record would be clearer if you would call the witness's attention to a specific exhibit.

By MR. COLTON:

Q. Is that a table from the Iron Age? Do you recognize it?

A. Yes, sir.

MR. LINDABURY: It shows an Iron Age chart from January 1, 1893, to January 1, 1902.

MR. SEVERANCE: Why not have it marked as an exhibit?

MR. COLTON: Yes, I should like to have it marked as an exhibit for identification.

(The paper so offered was marked "Government's Exhibit No. 68, May 9, 1912, for identification.")

By Mr. Colton:

Q. Do you recognize that as a chart gotten out by the Iron Age?

A. Yes, sir.

Mr. Lindabury: Will you ask if he is familiar with this?

Q. Are you familiar with these charts?

A. I have never studied them. I know they are published.

Q. You know that they are published?

A. Yes.

Q. Suppose you glance at the prices as indicated, wire nails, and see if that looks about right to you?

A. There is "wire nails" on here.

Q. I would like you to follow the price of wire nails. In the year 1893 it begins "Dollars per gross ton"?

A. Yes.

Q. And it starts in in 1893 at what?

A. I do not know.

Q. Have you not been in the wire nail business for years?

A. Sure, but——

Q. Is that $38 a ton about right for 1893?

A. I don't know.

Q. Is that $58 about right for 1896?

A. I know that prices were higher in 1896. I do not know whether they were $76 $40 or $60 a ton.

Q. Were prices very high in 1899?

A. Yes, according to this chart.

Q. According to your recollection?

A. Yes.

Q. Were they higher in 1899 than in 1896?

A. They must have been, according to this chart.

Q. According to your recollection?

A. Yes.

Q. Were prices low in 1898?

A. Yes.

Q. Do you know John H. Parks?

A. Yes, sir.

Q. Was he the originator of the wire nail pool?

A. He was the originator.

Q. He was the originator of the wire nail pool?

A. Yes, sir.

Q. Was John H. Parks commonly known as "Cent-A-Keg" Parks?

MR. LINDABURY: As what?

MR. COLTON: As "Cent-A-Keg" Parks.

A. I never heard of him——

By MR. COLTON:

Q. You never head of him in that way?

A. No.

Q. Now, about 1896, the latter part of it, the pool broke, did it not, the wire nail pool broke?

A. It broke some time; I do not know just exactly whether that was the time or not.

Q. Have you anything by which you could refresh your recollection?

A. No.

Q. Nothing anywhere?

A. No.

Q. If you looked at price tables, would you be able to do it?

A. That would be the only thing.

Q. Suppose you looked at these prices as indicated here—I will name them, quoting the prices; approximately $57 per gross ton, wire nails, in 1896. Is that about right for 1896, during the wire nail pool?

A. Yes.

Q. In the early part of 1897, $30 per gross ton. Is that about right?

A. I know that prices changed, but I cannot say positively that that was the price.

Q. Then from 1897 on up to 1898, the prices continued at about the same level, did they?

A. It depended on market conditions.

Q. That depended on market conditions, but did they or did they not?

A. They fluctuated all the time.

Q. Did they ever go up as high as in 1896?

A. No, not during that time.

Q. And at the beginning of 1899 they again reached a higher level than they had been at any time during that period, did they?

MR. SEVERANCE: Which period do you mean?

MR. COLTON: The period from the early part of 1897 up to 1898?

A. Not in 1898.

By MR. COLTON:

Q. How were they in 1898, then?

A. They were fairly high.

Q. Are you positive as to that?

A. That is my recollection.

Q. They were higher in 1899, were they not?

A. Possibly, I can't swear to it.

Q. You do not know that?

A. I don't know.

Q. Do you recall sending the following telegram during the pool of 1896? I cannot identify it more closely than approximately. Did you, after a meeting, go out from the meeting and in substance send the following telegram to one of your customers: "Price of nails advanced to $2.50. Have booked your order for 200,000 kegs at $2.40."

MR. LINDABURY: I object, as irrelevant and as not bearing upon any issue involved in this cause.

By MR. COLTON:

Q. The objection does not prevent your answering. Will you answer?

A. I don't recollect that at all.

Q. Did you ever go out from a pool and sell at a lower price?

MR. LINDABURY: I object to that. I understand this inquiry relates to a period before the American Steel & Wire Company was formed. Am I right about that?

MR. COLTON: It does.

MR. LINDABURY: Well, I object to it.

MR. COLTON: Well, I wish the answer.

MR. LINDABURY: I object to it as irrelevant and immaterial.

A. That all depended on conditions. You are asking me about something away back.

By MR. COLTON:

Q. I know, and I want you to give your best recollection.

A. Well, I say it all depended upon the condition of the market.

Q. And when the condition of the market was ripe for that during the pool you went out and did that, did you?

A. I sold goods, Mr. Colton, at the best price I could get.

Q. Despite a pooling agreement?

A. Well, you know, those pooling agreements, they never were religiously kept.

Q. Never what?

A. They never were religiously kept.

Q. That was the trouble with them, wasn't it?

MR. SEVERANCE: I object to that conclusion. Counsel knows that question is improper.

MR. COLTON: I am going to prove this man an expert in pools.

MR. SEVERANCE: Oh, are you? You are taking a very foolish way to do it.

MR. COLTON: All right.

THE WITNESS: I am an expert in pools? I wish I had that honor.

By MR. COLTON:

Q. Well, I think you will come pretty close to it. These pooling agreements were weak, were they not?

A. Yes.

Q. In 1896 an 1897, or thereabouts, were you concerned in negotiations taking place between John H. Parks, E. H. Gary, Colonel Ellwood, John W. Gates, Colonel Lambert, Mr. Buffington, Mr. Garden, Mr. Harry Oliver, Mr. George Oliver, Mr. Reis, Mr. Moen, Mr. Patterson, Jr., Mr. Beach, Mr. Chisholm, Mr. Tenbroeck, looking to the formation of a company

which would take over the majority of the wire companies of the United States.

MR. LINDABURY: Did you mention a date?

MR. COLTON: I gave the date of that company, I believe; it was about 1896 or 1897. It was about 1897, the latter part of 1897.

MR. SEVERANCE: I would suggest that the stenographer read over that question. You have a lot of names there. Mr. Baackes ought to notice those names and see if he remembers that particular crowd. You don't object?

MR. COLTON: Not at all. Make the date the latter part of 1897.

MR. LINDABURY: Let us hear the question as amended.

(Question amended and repeated by the stenographer as follows:)

"In the latter part of 1897, or thereabouts, were you concerned in negotiations taking place between John H. Parks, E. H. Gary, Colonel Ellwood, John W. Gates, Colonel Lambert, Mr. Buffington, Mr. Garden, Mr. Harry Oliver, Mr. George Oliver, Mr. Reis, Mr. Moen, Mr. Patterson, Jr., Mr. Beach, Mr. Chisholm, Mr. Tenbroeck, looking to the formation of a company which would take over a majority of the wire companies of the United States.

MR. LINDABURY: Now, if you will take out "taking place." That is not proven and not necessary to your question.

MR. COLTON: All right, cut it out.

MR. LINDABURY: Were you engaged in negotiations with those gentlemen?

A. There was such a movement on foot at the time, but I can't recollect of ever being in a meeting with all those gentlemen.

By MR. COLTON:

Q. Not in a meeting at the same time with all of them, but you were separately with each of them at different times, is that it?

A. I was not a party to that meeting.

Q. On or about February 26th, 1898, or just about that

time, do you recall an interview at the Waldorf with any of the following gentlemen concerning the formation of a company that would take over a majority of the steel and wire companies in the United States: Mr. Gates, Colonel Ellwood —do you recall ever meeting them?

MR. LINDABURY: Finish your question.

MR. COLTON: I want to get an answer to each gentleman as I go; otherwise I will have to repeat it.

MR. SEVERANCE: That is not the way the question started.

MR. LINDABURY: The question did not start that way.

By MR. COLTON:

Q. All right. Do you recall a meeting with any of the gentlemen named?

A. I do not.

Q. I have only named two. Colonel Ellwood?

A. No.

Q. Mr. Frank Baackes.

A That is me.

Q. That is you.

MR. LINDABURY: Did you have negotiations with yourself?

By MR. COLTON:

Q. Mr. Buffington?

A. I only can say that there was a movement on foot at the time.

Q. And you did not have anything to do with that movement?

A. The movement was being led by Mr. Gates.

Q. Who else was in that movement?

A. I do not know.

Q. Do you not know that Mr. Reis was in that movement?

A. Mr. Reis?

Q. Reis, yes, of Washburn & Moen?

A. I do not know.

Q. And Mr. Moen of Washburn & Moen?

A. I do not know.

Q. And Mr. E. H. Gary?

A. I don't recollect him at all in connection with it.

Q. Passing by this consolidation that did not go through, do you recall shortly after February 26, 1898, being on a train, on which the following gentlemen, or some of them, were present: Mr. Gates, Colonel Elwood, Mr. Frank Baackes——

MR. SEVERANCE: He has been on a train with Baackes, I am sure. He and Baackes often travel together.

Q. (Continuing) I. L. Ellwood?

MR. LINDABURY: Is that all?

Q. (Continuing) E. H. Gary? That is all.

MR. LINDABURY: That is all. Were you ever on a train with that bunch?

A. Sure, many times.

By MR. COLTON:

Q. That is what I wanted to know. And do you recall discussing the formation of the American Steel & Wire Company of Illinois with some of those gentlemen?

A. Mr. Colton, I was not big enough at the time to discuss with those gentlemen anything of that kind.

Q. You were the head of the Salem Wire Nail Company, were you not, at that time?

A. Yes; but we were a small company.

Q. Was not that company taken over by the American Steel & Wire Company of Illinois?

A. It was bought out.

Q. Who did handle the negotiations for your company, if you did not?

A. I and my associates.

Q. Were not you big enough to negotiate for the thing you did negotiate for?

A. After they made me an offer I could decide whether I would accept it or not.

Q. Do you not know who made you the offer?

A. Mr. Gates made an offer.

Q. Do you know anybody concerned in that offer one way or another?

A. No.

Q. I intend to read to you a letter which has been put into evidence by courtesy of the counsel for the United States Steel Corporation. I will ask questions after I have finished reading the letter. "February 26th"——

MR. LINDABURY: One moment. That letter has not been put in evidence, has it?

MR. COLTON: Yes, sir.

MR. LINDABURY: Our objection is noted, then?

MR. COLTON: You noted it for immateriality.

MR. LINDABURY: I understand that. I believe we agreed that such a letter was written and received. I did not remember the formal offer, but if you say it was offered——

MR. DICKINSON: Yes; and that the copy might stand the same as the original.

MR. LINDABURY: That is all right.

MR. SEVERANCE: It was consented they might use that instead of the original.

MR. LINDABURY: I understand. It is all right.

MR. SEVERANCE: We objected to the letter.

By MR. COLTON:

Q. (Reading):

"February 26, 1898.

"Messrs. J. W. GATES and E. H. GARY,
"The Waldorf-Astoria Hotel,
"New York City.

"DEAR SIRS:

"I have now in my possession and have carefully considered the reports of the chartered accountants relating to all of the companies whose properties have been offered for sale to a new company proposed to be formed. As you have examined the figures relating to the business of most of these companies for the last three years, I need hardly say that I am not only surprised but disappointed with the result, especially for the year 1897. It is perhaps true, as you claim, that the accountants have looked at some questions strictly from a bookkeeper's standpoint and have been somewhat il-

liberal in relation to the showing of profits, but in the main I think they have been accurate and fair and that in no reasonable way could the figures be materially changed. The books of most of these companies show a good profit for 1895 and 1896 and some of the companies were very successful in 1897; but the aggregate of the profits for 1897 were surprisingly small in comparison with previous years and with what it was expected.

"In view of the poor showing that is made as a whole for 1897, the proposed investment is not desirable and outsiders will not be disposed to take it.

"As we have expended a very large sum of money and devoted much time to the business, we are sorry the plan cannot be perfected as we intended, but I feel certain the manufacturers will understand it was not our fault.

"Having been brought into close contact with the business of these companies and with many of the leading manufacturers, it may not be out of place to suggest, first, the difference between the profit showing of 1897 and previous years is demonstration that some arrangement whereby prices can be maintained is absolutely necessary to success, and secondly, that if the manufacturers will make some arrangement whereby the time named in the contracts which have been given can be extended for a few months, and prices in the meantime maintained so that for the year 1898, or if possible a substantial part of the year, the net earnings will amount to as much as they did in previous years, the proposed arrangement can probably still be carried out on about the plan we have been considering.

"As you know, I have given these matters a great deal of time and it is with the deepest regret that I am obliged at the present time to decline to proceed further.

"Yours very truly,

"C. H. COSTER."

Do you know that C. H. Coster was a partner of J. P. Morgan & Company?

A. I do not know him at all.

MR. LINDABURY: He never knew him, even.

MR. SEVERANCE: You never will know him now; he has been dead a good many years.

MR. COLTON: My question was a proper one.

MR. DICKINSON: I think there is entirely too much comment of that sort.

MR. LINDABURY: I think that criticism is probably correct.

By MR. COLTON:

Q. Are you acquainted with the fact that there was such a movement, proposing the formation of a company, that failed to go through in the form it was proposed?

A. I knew that there was a movement on foot; in what form I never knew.

Q. And you know that about the same time, or shortly thereafter, there was formed the American Steel & Wire Company of Illinois?

A. Yes.

MR. LINDABURY: I object to that question as leading, and ask that my objection be noted.

By MR. COLTON:

Q. And you know that after the year 1898 there was formed a company called the American Steel & Wire Company of New Jersey?

MR. LINDABURY: I object to that as leading.

A. Yes.

MR. LINDABURY: Please do not lead the witness in that style.

MR. COLTON: I think it is proper under the circumstances.

MR. LINDABURY: What circumstances?

MR. COLTON: Under the circumstances of his being a hostile witness.

MR. LINDABURY: He is not a hostile witness. A hostile witness is not merely a witness who comes from the parties on the other side, but a witness who must show some hostility. This witness has exhibited no hostility.

MR. COLTON: I do not like to call attention to the special reasons why I consider him hostile.

By Mr. COLTON:

Q. What office did you hold in the American Steel & Wire Company, of Illinois?

A. I was general manager.

Q. Did you have charge of sales as general manager?

A. No, sir.

Q. What did you have charge of?

A. I had charge of the operating end.

Q. And then when the American Steel & Wire Company of New Jersey was formed, what office did you get in that company?

A. General superintendent.

Q. As general superintendent, what were your duties?

A. I had charge of the works.

Q. When were you transferred from superintendent of the works to some position in the sales department?

A. About May or June 1900.

Q. And what were you in May or June, 1900?

Mr. LINDABURY: You mean his position? What position did he take?

Mr. COLTON: Yes.

A. I was out of the company for about six months. I was not anything then.

Q. Do you know about when that occurred?

A. That happened between the latter part of 1899—I know I went to Europe and I came back, I think, in about April or May of the next year.

Q. When you came back, or shortly thereafter, you went into the sales department of the company?

A. I went back in the company, yes.

Q. Do you know whether that was about the time the United States Steel Corporation was formed?

A. That was before the United States Steel Corporation was formed.

Q. Who employed you when you returned?

A. Mr. Palmer and Mr. Clifford. Mr. Palmer carried on the negotiations.

Q. You say you have been on the train many times with

Mr. Gary, Mr. Gates and others. How far back does that intimacy between you and those men go?

MR. LINDABURY: I object to that. The witness has not said that there was any intimacy between them, and I do not think it is at all necessary—

By MR. COLTON:

Q. Well, how far back does your association with those men go?

MR. LINDABURY: I object to that. He has not said that there was any association between them, but simply that he was on the train with them.

By MR. COLTON:

Q. Will you answer that question?

A. I never was associated with these gentlemen and I never was intimate with them. Of course, I have met these gentlemen from time to time in the early part of the American Steel & Wire Company.

Q. You would not consider that you were a friend of Mr. E. H. Gary during that time?

A. No.

Q. And did not consider him friendly to you?

MR. LINDABURY: I object to that.

MR. COLTON: This is a conspiracy case, Mr. Lindabury.

MR. LINDABURY: What if it is a conspiracy case? That is no reason for asking silly questions.

MR. COLTON: I do not consider the questions silly. Will you answer the question?

THE WITNESS: I never considered Judge Gary a friend, as I understand the term "friend."

By MR. COLTON:

Q. How many times did you see him in the early part of the American Steel & Wire Company?

A. That is impossible for me to answer. It would be simply a guess.

Q. You met him occasionally, did you not?

A. Yes.

Q. Did you meet him three or four times a year?

A. Probably.

Q. Did you meet him oftener than that?

A. I could not tell you.

Q. When were the more binding Jackson pools formed, or the more formal Jackson pools formed?

A. I do not understand that question.

Q. You do not understand the word "formal"?

A. Formal?

Q. Yes, formal. When did you first become associated with Mr. E. E. Jackson? I will ask that question.

A. In the early part of my position as general sales agent for the American Steel & Wire Company.

Q. You had never been concerned with Mr. Jackson's office until you went into the American Steel & Wire Company?

A. No, sir.

Q. And you were brought in contact with him shortly after that?

A. Yes.

Q. And from the time you came in contact with him you have been continuously in contact with him up to some time in 1909, in connection with various pools?

MR. LINDABURY: Objected to as leading.

Q. (Continuing.) Please answer that question.

A. More or less.

Q. Well, to what extent?

A. Well, I probably met Mr. Jackson seven or eight times a year.

Q. Did you usually meet him at a meeting of the manufacturers of one or more wire products?

A. Yes, sir.

Q. Do you know anything about the Lamp Cord pool?

A. I never heard of it.

Q. Do you know what lamp cord is?

A. Yes, sir.

Q. What is it?

A. What you use for electric lamps, to hang the lamp on.

Q. Beginning with about May 22, 1901, did you or did you not occasionally meet with the other general managers of the various constituent companies of the United States Steel Corporation?

A. Yes.

Q. And at those meetings occasionally Mr. E. H. Gary would drop in?

A. Not in those days.

Q. Suppose we advance it up to about September 2, 1903.

MR. LINDABURY: What is the question?

Q. (Continuing) Would Mr. Gary or Mr. Corey occasionally drop in?

MR. SEVERANCE: Which one?

MR. COLTON: Either or both.

MR. LINDABURY: Or neither.

A. I cannot recollect that.

By MR. COLTON:

Q. You do not know how far back that goes?

A. No.

Q. Do you know that Mr. Schwab was president of the United States Steel Corporation during the early years?

A. Yes.

Q. Do you know whether he occasionally dropped in at the meetings of the general sales managers?

A. I have seen Mr. Schwab once at a meeting.

Q. Now, beginning about the time that there was discussion concerning the formation of the United States Steel Products Company, or the Export Bureau, as it was originally called, do you recall that about that time Mr. Gary occasionally came in and Mr. Farrell also came in?

A. Mr. Farrell always attended these meetings of the general managers of sales.

Q. And Mr. Gary, occasionally?

A. I cannot recall at that time.

Q. You do not know whether he was concerned in the formation of the United States Steel Products Company?

A. I do not know who formed that.

Q. Do you know what was the occasion of suggesting the formation of a corporation that would handle all the business of the different constituent companies of the United States Steel Corporation?

A. I had nothing to do with the formation.

Q. I did not ask you that. Will you read the question?

(The stenographer read the question as follows:)

"Q. Do you know what was the occasion of suggesting the formation of a corporation that would handle all the business of the different constituent companies of the United States Steel Corporation?"

A. I do not.

MR. LINDABURY: Do you refer to climatic, governmental or trade conditions, or what other sort?

MR. COLTON: I ask it of the witness.

By MR. COLTON:

Q. Are you familiar with discussion as to the competition among your competitors, that is, the competitors of all the constituent companies, that took place at the different meetings of the general sales managers of the United States Steel Corporation?

A. Yes, sir.

Q. What system did you have of keeping track of what your competitors were doing?

A. We did not have any system except what we gathered from our own observation.

Q. How did you gather that?

A. Through our men.

Q. What did you have them do?

A. They are in the field all the time; they report what our competitors are doing.

Q. Would the subsidiary managers meeting together discuss that?

A. No, sir.

Q. Never?

A. As far as my observation is concerned, no. I do not quite understand the question.

MR. SEVERANCE: Discuss what?

By MR. COLTON:

Q. Did not the sales agents of the United States Steel Corporation meet together from time to time?

A. Yes, sir.

Q. And they got certain statistics as to their competitors?

MR. SEVERANCE: He did not say that.

By MR. COLTON:

Q. Did they?

A. I never had any statistics.

Q. Did you get certain reports as to those competitors?

A. The reports came to me as general sales agent of the American Steel & Wire Company from our own men in the field.

Q. Did you not make a report to the general managers' meetings?

A. As to what?

Q. As to the reports which you received from your agents?

A. No.

Q. Are you positive of that?

A. Of course we discussed competition, we discussed our competitors, whether they were active or whether they were aggressive, whether they were strong or whether they were weak, or what they were doing.

Q. That is, the managers of the different companies do that?

A. I do that.

Q. You do it with the different managers?

MR. LINDABURY: Sales agents you are talking about?

MR. COLTON: Sales agents.

A. Yes.

By MR. COLTON:

Q. Do you own any common stock of the United States Steel Corporation?

MR. LINDABURY: That is objected to as irrelevant and incompetent and impertinent.

MR. COLTON: Answer.

A. Yes, sir.

By MR. COLTON:

Q. Were you in Worcester in November of last year?

A. Yes.

Q. How often were you in Worcester in November of last year?

A. I think once.

Q. Are you sure it was not twice?

A. I do not recollect it.

Q. Were you there in October?

A. That is my recollection, that I was there both in October and November.

Q. Have you any way of refreshing your recollection?

A. I have not.

Q. By way of refreshing your memory, do you recall having stated in my presence and in Mr. Lincoln R. Clark's presence, in February that you were there twice in November and that you were not there in October?

MR. LINDABURY: Do not answer that question yet. I object to that as an attempt to impeach the Government's own witness, and further, as calling for what transpired when the witness was subpoenaed before the Federal grand jury, in violation of the sanctity of grand jury proceedings.

MR. COLTON: The grand jury has been dismissed.

MR. LINDABURY: Maybe it has, but its secrets have not been flung to the world.

MR. COLTON: The authorities permit.

MR. SEVERANCE: They are being flung to the world now.

MR. COLTON: Will you answer the question?

MR. LINDABURY: One moment: You may refuse to answer anything that took place before the grand jury, and we will go to court on that.

MR. COLTON: Will you answer the question?

MR. LINDABURY: We will see whether the authorities permit that sort of thing.

A. Well, I refuse to answer.

MR. COLTON: Make a note of that, Mr. Reporter. I would like to have my question read, my original question.

(The stenographer read the question as follows:)

"Q. By way of refreshing your memory, do you recall having stated in my presence and Mr. Lincoln R. Clark's presence in February that you were there twice in November and that you were not there in October?"

MR. LINDABURY: I instruct the witness that he need not answer as to anything that took place in the presence of the grand jury.

MR. COLTON: There is nothing on the face of my question that indicates that anything took place before the grand jury.

MR. LINDABURY: No, because your question is intended to deceive and conceal.

By MR. COLTON:

Q. Will you answer my question in its original form?

A. Where did you ask me that question?

Q. I am not answering questions. I am asking questions.

MR. SEVERANCE: Is it not fair that you should state to the witness so that he is able to fix the conversation in his mind?

MR. COLTON: The witness can answer.

MR. SEVERANCE: That is not fair. You have asked——

MR COLTON: I have asked him——

MR. SEVERANCE: Pardon me. The rule, with which of course you are familiar, is that where the witness is to be impeached——

MR. COLTON: I will——

MR. SEVERANCE: Just a moment. I am going to make my statement. You have been talking. When it is proposed to impeach a witness by showing that he has stated out of court something different from what he has stated on the stand, you must fix the time and the place and the circumstances, so that the witness can understand clearly to what

conversation his attention is directed. That is necessary for the protection of the witness, and that is always the rule. You have not done that in this case.

MR. COLTON: Perhaps also I should refresh the circumstances. Is that right in the rule?

MR. LINDABURY: Nothing of course is better settled than that such a question should mention the time and place.

By MR. COLTON:

Q. All right, I will mention time and place. Did you not, after you testified before the grand jury, and after Mr. Whitney had testified before the grand jury, and while we were standing in the hall adjoining my room in the Post Office Building in New York, and not in the presence of the grand jury, state to me that you were there in November and not in October?

A. In the hall of the post office building?

Q. In the hall of the post office building.

MR. LINDABURY: Was this a private, confidential conversation of which you are now speaking?

MR. COLTON: I will further relate the circumstances. I think it is proper to call the witness' attention to the circumstances.

MR. LINDABURY: Was this a private, confidential conversation which you, as district attorney, were having with the witness?

MR. COLTON: It was not a private conversation, it was a casual conversation afterwards, as two people would meet and talk anywhere.

MR. LINDABURY: Let him answer that.

A. I recollect a conversation with you in the corner of your office, nobody else there except you and me.

MR. LINDABURY: I thought Mr. Clark was there.

MR. COLTON: I eliminated him in this last question.

MR. LINDABURY: Now, go ahead.

A. (Continuing.) I can't recall what we were talking about just at that time, Mr. Colton.

By MR. COLTON:

Q. Would you swear that both of your visits did not take place in November?

A. I cannot swear to that.

Q. In what part of October did your visits take place, if at all in October?

A. I can't recall the day nor the week; it must have been the middle or the latter part of October.

Q. What do you do when you go to Worcester?

A. I have occasionally business down there to confer with my assistant, or my department, as my duty calls me there.

Q. Did you ever write a letter from Worcester?

A. Oh, yes, sir.

Q. Would you be apt to go up to Worcester without writing a letter during the course of your visit?

A. Many times.

Q. On this particular occasion, or these two occasions, if they both occurred in November, I would like you to look at your files and see if you do not find that you wrote two letters from Worcester, or wrote letters at different times from Worcester in November, and not in October of the year 1911.

A. Well——

Q. You will look that up for me?

A. All right.

Q. Will you identify these signatures, if you can? (handing two letters to the witness).

A. Yes.

MR. LINDABURY: Let me see what you have shown the witness?

MR. COLTON: I offer these letters in evidence.

MR. LINDABURY: We object to them as totally irrelevant.

MR. SEVERANCE: Have you had them identified?

MR. COLTON: No, sir; I have not.

MR. SEVERANCE: Hand them to the stenographer.

(Letter to Broderick & Bascom Rope Company, signed

E. E. Jackson, Jr., Supervisor, dated January 23rd, 1907, marked Government Exhibit 69, May 9, 1912.)

(Letter to Broderick & Bascom Rope Company, signed E. E. Jackson, Jr., Supervisor, dated January 21st, 1907, marked Government Exhibit 70, May 9th, 1912.)

By Mr. Colton:

Q. I ask you to read both those letters carefully, and then I will have some questions to ask upon them.

(Exhibits 69 and 70 handed to the witness and by him read and returned to Mr. Colton.)

Mr. Colton (Reading):

"January 23rd, 1907.

"Broderick & Bascom Rope Company,
"St. Louis, Mo.

"Gentlemen: I am much obliged for yours of the 21st inst., giving me permission to take up the matter of allotment with Mr. Baackes, which I will do at the earliest possible date.

"As to the percentage of Mr. Leschen, or any one else, I am unable to go into details with Mr. Baackes, but I think I can convince him by general statement that I am acting consistently in all matters.

"Yours very truly,

"E. E. Jackson, Jr., Supervisor."

"January 21, 1907.

"Broderick & Bascom Rope Company,
"St. Louis, Mo.

"Gentlemen: Under date of 15th inst. I wrote you, asking your permission to show Mr. Baackes all my dealings with you with reference to matter of allotment.

"I have not yet received your reply to this letter, and would thank you to give it your usual prompt attention.

"Yours very truly,

"E. E. Jackson, Jr., Supervisor."

By MR. COLTON:

Q. Do you recall ever taking up the question of allotment with any one in the association?

A. I have taken it up with the Supervisor.

Q. Somebody else's allotment?

A. No.

Q. How can you explain these two letters? (Handing witness Exhibits 69 and 70.)

A. I am not Mr. Jackson, and therefore I don't know why Mr. Jackson——

Q. Well, I would like to have you read them and see whether you can give any explanation of them.

A. No; they are Mr. Jackson's letters.

Q. Well, you read them.

MR. LINDABURY: I object. This witness is not bound to explain somebody else's letter to some other person.

MR. DICKINSON: He is asked to read them and say whether he can explain them.

MR. LINDABURY: He is asked to explain Jackson's letter to somebody that he never saw before.

MR. DICKINSON: I suppose it is meant to ask him if he can explain it.

MR. LINDABURY: That is better.

THE WITNESS: No; I cannot.

By MR. COLTON:

Q. Do you recall that shortly after the withdrawal of the American Steel & Wire Company from certain of these associations you took up the question with Mr. E. E. Jackson, and notified him that you would withdraw the circular previously issued, and would co-operate as to price in the future with the various manufacturers?

A. Will you repeat that question?

MR. COLTON: Read the question, please.

(Question read by the stenographer.)

A. The circular? What did you say?

By MR. COLTON:

Q. The circular. I presume it is a circular of prices. Withdraw your circular list of prices, or withdraw your list of prices?

MR. SEVERANCE: He wants to know what it is.

A. What is it?

By MR. COLTON:

Q. Well, I will say list of prices, then.

MR. SEVERANCE: You say "presume." I don't understand the question.

MR. COLTON: I think maybe he does.

MR. SEVERANCE: I hope he does, but I do not, and I would like to have it repeated, so possibly we would all understand it.

MR. COLTON: I will restate the question.

MR. SEVERANCE: I wish you would.

By MR. COLTON:

Q. Do you recall that shortly after your formal withdrawal from the Jackson associations, or some of them, that you took up the question of prices with Mr. Jackson and notified Mr. Jackson that you would withdraw your circular of prices that you had issued, and co-operate as to the prices in the future with the various manufacturers in one or more of the associations?

MR. LINDABURY: Do you say you do not recall it?

A. I do not recall that.

MR. COLTON: I do not believe he has said anything, Mr. Lindabury.

MR. LINDABURY: He was shaking his head.

MR. COLTON: I beg your pardon; I did not think he had answered the question at all.

MR. LINDABURY: I thought the stenographer did not get it.

MR. DICKINSON: Now, what is the answer?

THE WITNESS: I do not recall that.

By MR. COLTON:

Q. Are you positive that you did not at any time notify Mr. Jackson that you would co-operate as to price in the future after the withdrawal?

A. I notified—I won't say notified, but Mr. Jackson had a talk with me as to what our attitude would be, and I told him, naturally, we would not cut the prices of other manufacturers.

Q. That was after the withdrawal?

A. After the withdrawal.

Q. Did you maintain the prices?

A. As near as I could.

Q. Did you maintain the prices substantially the same as you had before the withdrawal from the pool?

A. As nearly as I could.

Q. In 1909, some time in the spring of the year, did you order Mr. Taylor to destroy all the horseshoe papers?

A. I did.

Q. Do you know whether, as a matter of business, he did or did not?

MR. LINDABURY: You mean as a matter of fact, do you not?

MR. COLTON: In the course of business, I should say.

By MR. COLTON:

Q. In the course of business was it reported to you that he did destroy those papers?

A. No, sir.

Q. He had not made any report?

A. Not at that time.

Q. Do you know whether he did or did not destroy those papers?

A. I know, since that time, that they have been destroyed. Whether he destroyed them, I do not know.

Q. Do you know when they were destroyed?

A. I do not.

Q. They were destroyed some time ago, however?

A. Yes, sir.

Q. These papers were different from those in the trunk full of papers, of course?

A. Absolutely.

Q. Do you recall a diary—and I can tell you something about what was in it, although not very much—that contained a philosophical discussion on the profits of the various pooling associations of which you were a member, and of its great benefit to the American Steel & Wire Company of New Jersey, as being among the papers destroyed in the trunk full of papers?

A. I never saw it.

Q. Well, perhaps you would not call it a diary. Do you remember a memorandum reciting the advantages of pools?

A. I never saw any.

Q. After you withdrew from the pools, and after Mr. Jackson ceased to have anything to do with the pools, did you not from time to time meet together with the various members of the former associations, excepting Mr. Jackson and his men?

A. I met with the other manufacturers, from time to time.

Q. And at that time some one or several members would name prices, announce prices; is that right?

A. They announced their prices.

Q. The price you announced was your price, was it?

A. That was my intention.

Q. It was your intention to stick to that price?

Mr. Lindabury: You said the amount you announced was your price?

By Mr. Colton:

Q. The price you announced was your price?

A. Yes.

Q. I am asking this now. I am asking you a different question. Was it your intention to stick to the price you named in the absence of discovery that someone was underselling you and in the absence of giving any notification to your fellow members?

A. Yes.

Q. Did other members then make a like announcement?

A. Sometimes.

Q. "Sometimes." Did many of the members of the old association announce a price?

A. Mr. Colton, these meetings were not all members of the old association.

Q. Well, you had some new blood in there, had you?

A. They were manufacturers of different articles that met, that had nothing to do with any association whatever.

Q. That is, you did not have any supervisor?

A. We had no association, no supervisor.

Q. A group of men got together, and many of you announced prices? Is that right?

A. We advised each other what our prices were.

Q. What your prices would be?

A. What they were.

Q. And that was your anchor to the windward?

A. Yes.

Q. And you expected it to be their anchor to the windward?

A. If I know my competitor's prices, as a businessman, I surely will not tell it, if I have any common sense.

Q. And your purpose was to find out what their prices were, and not to tell them?

A. My purpose always is to find out my competitor's prices.

Q. And to follow them?

A. And to sell at no less.

Q. And that was the purpose of the meeting, to get together for the purpose of finding out what your neighbors' prices were and sticking to them?

A. No, not alone that.

Q. General welfare?

A. General welfare.

Q. Was there ever a pooling association that was not formed for general welfare?

A. No.

Q. Do you consider it a part of the general welfare that you should fix bids for the United States Government?

A. No.

MR. COLTON: Aside from wishing the witness to look up

that memorandum to which I called his attention, I am through with the witness.

MR. LINDABURY: I understood you wanted him to see whether he ever wrote a letter from Worcester in November. What else?

MR. COLTON: That is all.

CROSS EXAMINATION,

By MR. LINDABURY:

Q. Did you have anything to do with the organization of any of these Jackson pools?

A. No.

Q. They were in existence, I understand before you became sales agent of the Steel & Wire Company?

A. Yes.

Q. And that was before the formation of the United States Company, the United States Steel Corporation?

A. Yes.

Q. You became sales agent, I think, for the Steel & Wire Company in the year 1900?

A. Yes.

Q. I believe that is what you said?

A. Yes.

Q. How soon thereafter did you begin to represent the Steel & Wire Company in the Jackson pools?

A. Shortly thereafter.

Q. How came you to do that?

A. Because, on account of my position as general sales agent.

Q. Who invited you to go into them?

A. Some of the pools were in existence, we inherited them with the acquisition of certain interests. Other pools were formed by other manufacturers in connection with Mr. Jackson, and we were invited to become a party to them.

Q. And did you become a party?

A. Yes.

Q. Were any of them formed after the United States Steel Corporation was formed?

A. Not exactly, but very likely reconstructed, because they

already had been in existence more or less previous to that time.

Q. In going into them, upon what authority did you act?

A. My own authority.

Q. Did you consult with any of the officers of the United States Steel Corporation?

A. I did not.

Q. Did you ever inform either Judge Gary or any other of the head officers of the Steel Corporation, or any member of the Board of Directors, that you were a party to any of these pools?

A. I did not.

Q. Did you have anything to do, yourself, with the organization of those pools?

A. We never originated any.

Q. Were you ever the leading factor in any of these pools; that is, was there any one of these pools in which the steel and wire company had a greater allotment than any other company?

A. Not one.

Q. Was there any one of them in which they had a dominant interest?

A. Not from a percentage standpoint.

Q. Do you remember what percentage of the output of the Steel & Wire Company was governed by these pools, in their flourishing days, at any time?

A. From a tonnage standpoint?

Q. Yes.

A. About three per cent. of the total tonnage of the American Steel & Wire Company——

Q. Was affected by pools?

A. By pools.

Q. Only three per cent of the total output in tonnage of the American Steel & Wire Company was ever, at any time, covered by these pools?

A. Yes, sir.

Q. Or any pools?

A. Yes, sir.

Q. You are sure of that, are you?

A. Yes.

Q. Do you happen to know what percentage, or what the amount of the tonnage governed by these pools was, in comparison with the total output of all the subsidiaries of the Steel Corporation?

A. Less than one half of one per cent.

Q. You were yourself connected with all these pools; is that right?

A. Yes, sir.

Q. And knew, therefore, of their existence and operation?

A. Yes.

Q. Are you able to say that of the total output of the subsidiaries of the United States Steel Corporation not over one half of one per cent were protected by the pools?

A. Not one half of one per cent of the American Steel & Wire Company's output.

Q. Oh, you are speaking of the American Steel & Wire Company.

A. I understood you to speak of our output, how it compared in percentage with the output of all the subsidiary companies of the United States Steel Corporation.

Q. That is right. These pools in which the American Steel & Wire Companies engaged, to which they were parties did not control over one half of one per cent of the total tonnage of the constituents of the Steel Corporation?

A. That is correct.

Q. And not over three per cent of the total output of the American Steel & Wire Company?

A. Yes, sir.

Q. Coming to specific pools, was the balance of the output of the American Steel & Wire Company, that is, 97 per cent of the total output, sold in free and unrestricted competition?

A. Yes, with the exception of one or two other pools.

Q. What were they?

A. In the early part of our existence we were in a plate pool.

Q. Many years ago?

A. Many years ago.

Q. What year did that end?

A. That was in the early history of our company.

Q. 1904?

A. 1901, 1902, 1903 or 1904.

Q. And the other?

A. That was the only thing that was pooled, to my recollection.

Q. Exactly; but since 1904, 97 per cent of your total output has been sold without any restriction, or without being affected by any pools of any kind?

A. Yes, sir.

Q. In free and open competition?

A. Yes.

Q. Now, with regard to the breaking up of these pools, when did that occur?

A. In the spring of 1909.

Q. Three years ago?

A. Yes.

Q. How did it come about?

A. I was ordered by Mr. MacVeagh to get out of these pools.

Q. What did he tell you about them, as to what he had heard of them?

MR. DICKINSON: I object to that as being incompetent, and irrelevant.

MR. LINDABURY: Answer the question.

THE WITNESS: What was the question?

By MR. LINDABURY:

Q. What did he say to you as to how he learned about the pools or when he learned about them?

MR. DICKINSON: That is a different question, and that is objected to as incompetent and irrelevant.

A. I advised him that I was in these pools.

By MR. LINDABURY:

Q. How came you to do that?

A. I was called into Judge Gary's office one day and was asked by Mr. Gary whether I was in the horseshoe pool. I told him I was, and he said: "You better see Mr. MacVeagh right away regarding that."

Q. Did he tell you how he came to ask that and when he heard of it?

A. He did not tell me.

Q. You saw MacVeagh?

A. I did.

Q. What happened?

MR. DICKINSON: That is objected to as incompetent and irrelevant.

A. Mr. MacVeagh asked me whether I was in the pool.

By MR. LINDABURY:

Q. Go on.

MR. LINDABURY: You may consider this all taken under your exception.

MR. DICKINSON: Yes.

A. And whether I was in any other pools. I told him what pools I was in.

By MR. LINDABURY:

Q. What were they?

A. I told him I was in several pools.

Q. What did he tell you?

A. He told me they were illegal.

Q. He told you what?

A. He told me they were illegal, I must get out. I told him that I had not thought they were illegal, because Mr. Jackson had told me that they were legal.

MR. DICKINSON: You understand this is all excepted to?

MR. LINDABURY: Yes, Judge, we will so consider it.

A. (Continuing) And I then had Mr. Jackson meet Mr. MacVeagh, I think it was the next day, and they had it out. They had a hot discussion over it.

By MR. LINDABURY:

Q. How long?

A. I think it lasted the day, but the result was that I had

to get out of the pools. Mr. MacVeagh instructed me I must get out.

Q. After the conference?

A. After the conference.

Q. With Mr. Jackson?

A. With Mr. Jackson.

Q. Did Mr. Jackson yield his view that they were legal, or did Mr. MacVeagh overrule him?

A. I do not know as to that, but Mr. MacVeagh gave me his instructions what I had to do.

Q. At the end of the conference?

A. Yes.

Q. Who is Mr. MacVeagh?

A. He is the legal adviser or counsel of the United States Steel Corporation.

Q. Where were these interviews?

A. In his office at 71 Broadway.

Q. This was Mr. Charles MacVeagh?

A. Charles MacVeagh.

Q. Then you were through?

A. Yes.

Q. You have said that after your withdrawal you met now and then with the manufacturers of different wire products? I so understood you.

A. Yes.

Q. Were these meetings formal or informal?

A. Informal.

Q. How did they come about? Did somebody give a luncheon ordinarily?

MR. DICKINSON: Let him state how they came about, without the suggestion.

MR. LINDABURY: Your idea is you may lead him but the cross-examiner may not.

MR. DICKINSON: Oh, no.

By MR. LINDABURY:

Q. How did they come about?

A. We manufacturers, on account of old associations, knew each other very well; our interests are mutual; we were natur-

ally interested in making a living; we met from time to time and we discussed whether it would not be a good idea every once in a while for each manufacturer to invite his fellow-manufacturers to lunch, and we did.

Q. So the meetings usually were brought about by an invitation from one of the manufacturers to the others to a luncheon?

A. That is it.

Q. And at those lunches I understand you discussed conditions generally?

A. Whatever was of common interest.

Q. That is what I meant, things affecting the trade in general.

A. Things affecting the trade in general in our own particular branch of the business.

Q. That is what I meant, in your particular branch of the business in general?

A. Yes.

Q. Not prices alone but everything bearing on the prosecution of the business?

A. Absolutely.

Q. And along with other things, prices were discussed?

A. Never were prices discussed.

Q. I do not mean in respect of making an agreement but that there was talk about market conditions?

A. We asked each other from time to time what we were selling goods at.

Q. Did you ever agree on prices at any of those meetings?

A. I did not because after MacVeagh told me—

Q. Never mind about your "because," or MacVeagh or Jackson.

A. I did not.

Q. Did you ever hear anybody else agree?

A. Never.

Q. With respect to prices?

A. Never.

Q. I understand you to say that the men were free in stating the condition of their business?

A. Yes.

Q. And the prices they were getting?

A. Yes sir.

Q. Did anybody ever agree at any of those meetings that he would maintain the prices that he stated he was getting, for any definite time?

A. No.

Q. Did anybody ever state that he intended to maintain them for any definite time?

A. He did not.

Q. So far as you know, did anybody ever leave any of those meetings feeling that he had obligated himself to maintain any price of any kind?

A. I cannot say how they felt.

Q. I say so far as you know?

A. As far as I know, no.

Q. Did you ever feel that you had entered into an obligation to maintain any price for any definite time?

A. I did not.

Q. I understand that you had conversation with Mr. Colton in the corridors of the grand jury room on February 1, when you were subpoenaed——

MR. COLTON: I wish you would have the question read. It was not in the corridors of the grand jury room. It was next the room, which I was then occupying, in the Federal Building.

By MR. LINDABURY:

Q. You visited Mr. Colton's office in the Federal Building?

A. I did.

Q. Why did you go there?

A. I had to get my money for my service.

Q. Was it when you were getting your money that he had this little talk with you?

A. Yes, he stepped outside.

Q. He took advantage of that, and I suppose you talked unguardedly then?

A. I was very free.

Q. He was very free?

A. Yes.

Q. You got your money?

A. I got my money.

Q. You did not charge yourself with the conversation?

A. No, sir, it was a general conversation.

Q. You did not feel that you were under the necessity of remembering?

A. Not at all.

Q. It did not occur to you that it would come up again, did it?

A. Never.

Q. Now, after the withdrawal of the Steel & Wire Company from the pools, what order, if any, did you issue with respect to pool papers?

A. To have them all destroyed.

Q. When did you do that and why did you do it?

A. Because Mr. Jackson sent for all of the letters of the different pools to have them returned to him.

Q. Well?

A. And I made up my mind then, if he wanted his papers back that I should not have any of my own.

Q. Then what did you do?

A. I gave orders to have them destroyed.

Q. How soon was that after your withdrawal from the pool?

A. I could not tell you that.

Q. About?

A. Oh, about two or three months afterwards.

Q. Was your attention—

MR. COLTON: Excuse me. Was that simply for the horse shoe papers?

MR. LINDABURY: All the papers.

MR. COLTON: You do not mean all the papers were destroyed?

MR. SEVERANCE: He asked when he gave orders to destroy them.

MR. LINDABURY: You were not listening, my brother.

MR. COLTON: I wanted to have that in my mind, if you please.

By MR. LINDABURY:

Q. All right. He gave orders for the destruction of all papers with respect to all steel and wire pools.

A. At Chicago, New York and Worcester.

Q. New York, Chicago and Worcester?

MR. DICKINSON: When does he say that was?

MR. LINDABURY: Two or three months after the withdrawal or a month or two after the withdrawal from the pool.

MR. DICKINSON: That would be 1909?

MR. SEVERANCE: That would be 1909.

MR. LINDABURY: Yes.

By MR. LINDABURY:

Q. When was your attention next called to this matter of pool papers?

A. When the secretary, Mr. Allen, was served with a subpoena, I think it was May, 1911, from Mr. Wise, or somebody in New York.

Q. Mr. Wise, the district attorney, you mean, do you not?

A. Calling for those papers.

Q. Yes.

A. And Mr. Allen came to me, being the custodian of all those papers, and asked for the papers, and I told him I did not have any.

Q. Who being the custodian of all sales papers—do you mean you or Allen?

A. I.

Q. All right. You told him you did not have any?

A. Didn't have any.

Q. Did the subpoena call for the pool papers?

A. It called for the pool papers.

Q. All right. What happened next?

A. I told him that I had destroyed all those—

MR. DICKINSON: I enter a general objection to what he told Allen and what Allen told him.

MR. LINDABURY: This is only preliminary, anyway.

MR. DICKINSON: I understand that the objection may apply all the way through to hearsay evidence.

MR. LINDABURY: Yes, sir; I understand it that way.

A. Well, I told Allen I didn't have any; they were all destroyed.

By MR. LINDABURY:

Q. Yes, well.

A. On the second search I found that my orders, which I had thought I had given to Mr. Cragin as well as to somebody else to destroy the papers, had not been carried out and the papers at Worcester were still in existence.

Q. Very well. Now, how came the second search to be made? Did you order it?

A. Yes.

Q. Yes, just to see whether or not there was anything left?

A. Yes; because Mr. Allen insisted that I should search.

Q. That you should search, and then you got the information that the papers at Worcester had not been destroyed?

A. At Worcester.

Q. You had ordered them, you already told us.

A. It was my impression that I had ordered all of them.

Q. Then what did you do?

A. Then I ordered Mr. Cragin to send the papers down here.

Q. Did you go to Worcester?

A. No.

Q. After you found they were there you ordered him to get them together and send them to the grand jury?

A. No; send them to Mr. MacVeagh's office.

Q. Well, send them to New York?

A. Yes.

Q. In obedience to the subpoena, that is what I mean?

A. Yes.

Q. Were you indicted by the grand jury?

A. I was.

Q. And Cragin?

A. Yes, sir.

Q. Of course you remember that fact. Do you recall the date?

A. Some time in June.

Q. The 29th, was it not? I think I am right as to the date, am I not?

MR. COLTON: The 29th of June.

By MR. LINDABURY:

Q. Do you remember pleading to those indictments?

A. I pleaded nolle contendere.

Q. When did you plead nolle contendere?

A. I think it was the early part of August or the latter part of July.

Q. The latter part of July or the early part of August?

A. Yes.

Q. Well, you were fined?

A. Very much to my regret.

Q. How is that?

A. Very much to my regret.

Q. Do you know that others were indicted besides yourself?

A. Yes.

Q. Do you know the number, approximately, who were indicted at that time?

A. I understood there were seventy-five or eighty-nine.

Q. Did others plead nolle contendere?

A. I think they all did.

Q. You understood that at the time? You so understood at that time, did you?

A. When I pleaded nolle contendere?

Q. About that time you understood that the others were doing the same thing?

A. Yes.

Q. Do you know how many pleaded nolle contendere on the same day you did?

A. Nine, I think.

Q. Nine on that day, and had others pleaded already, as you understood?

A. Some before that.

Q. Now, after that did you hear or make inquiry as to where the trunk and papers were?

A. Yes.

Q. And what did you learn as to their whereabouts?

A. Early in October I inquired from Mr. MacVeagh's office what had become of that trunk, that I wanted to get possession of it if I could, and they replied to me that the trunk was in our office.

MR. COLTON: May I interrupt a moment? Will you introduce the letter later on, so as to show what there is in that letter? I do not care, if it just goes into evidence.

By MR. LINDABURY:

Q. At your office at 30 Church Street?

MR. COLTON: Mr. Lindabury, I did not understand whether that was satisfactory.

MR. LINDABURY: What?

MR. COLTON: To put the letter in evidence.

MR. LINDABURY: Yes; if you will keep us in mind of it.

MR. COLTON: Yes.

By MR. LINDABURY:

Q. At 30 Church Street?

A. Yes.

Q. Then what did you do?

A. I told them to send that trunk to Worcester.

Q. To whom did you tell that? I mean your office; I do not care about the individual.

A. I think I instructed either Mr. Taylor or Mr. Thomas to send it to Worcester.

Q. Somebody in the 30 Church Street office?

A. Yes.

Q. Do you know whether it was sent up or not?

A. Yes.

Q. What action did you take with respect to the disposition of its contents?

A. I told Mr. Cragin that whenever that trunk got back to Worcester to destroy the papers.

Q. When did you tell him that?

A. The latter part of September or early part of October.

Q. Some question was raised here yesterday as to whether you or Cragin directed Whitney to destroy them. What do you say about that?

A. I never directed Whitney to destroy them.

Q. To whom did you give the direction?

A. Mr. Cragin.

Q. Was there ever any question made as to your having given the directions to somebody or other?

A. Not in my mind.

Q. Did you ever claim, I mean, that they were destroyed without your authority?

A. No.

Q. Did you make an affidavit in the injunction case that was decided this morning?

A. Yes.

Q. Stating that you ordered it done?

A. I ordered it done.

Q. So the only question between you and Whitney was whether the order went direct from you to him or went through Cragin?

A. That is it.

Q. Is not that exactly so?

A. Yes, sir.

Q. And what was your conversation with Whitney about his testimony or his memory—I mean in the corridors of the grand jury, in the post office?

A. We were all of us subpoenaed.

Q. I do not want a lot of detail.

A. Well, the conversation was that Mr. Whitney was sent out to me by Mr. Cragin, and I said to Mr. Whitney, "I understand from Mr. Cragin that you said that I instructed you to destroy the papers." He said, "You did." I said, "Harry, I can't recollect it." He said, "Well, you did, Mr. Baackes," and I said "Well, if that is your opinion, you must testify to that effect."

Q. That is all that took place?

A. In the corridor.

Q. That is all that passed between you?

A. That is all.

Q. Was there ever any feeling between you about it?

A. There should not be.

Q. It was the simple question whether the order came direct or through Cragin, I take it?

A. That is all.

Q. Do you know about his resigning? Did you talk to him about that?

A. I refused to accept his resignation.

Q. When he tendered it?

A. This happened this way, if you want to know—

Q. It is not important enough for much detail, but you may make a short statement.

A. Mr. Colton came out of the door one day, and there was Mr. Cragin, and Mr. Whitney, and he said, "You three men better get together; you don't agree." With that he drew back. Mr. Whitney immediately thereon got rather dramatic, and he said, "Mr. Baackes," he says, "I shall have to resign, because I am testifying against you." I said, "Mr. Whitney, you are not testifying against me; you are testifying what you believe to be the truth the same as I am doing. Further than that, I can't accept your resignation, because this is no place to talk business." That is all that was said.

Q. Had you told Mr. Colton that you ordered the books destroyed? Had you made any concealment of the fact?

A. None whatever.

Q. That you were responsible for their destruction?

A. The responsibility is mine and nobody else's.

Q. I mean had you always admitted that?

A. Sure.

Q. There never has been any question about it?

A. Not the least.

Q. Did you have any instructions from anybody connected with the Steel Corporation to have those papers destroyed?

A. None whatever.

Q. Did you inform anybody connected with the management of the Steel Corporation of your purpose to have them destroyed?

A. No.

Q. Or that you had given an order to have them destroyed?

A. No.

Q. Did you, when you ordered these destroyed, have any idea that they would ever be wanted again by the Government in the present suit or any other contemplated suit?

A. None whatever; not the least suspicion.

Q. Did you, when you ordered them destroyed, or when they were destroyed, whenever it was, have any idea or intention of suppressing evidence in this suit, or any other, or preventing those papers being produced in any action which the Government, or anybody else, might ever bring in which they might be needed?

MR. DICKINSON: Excepted to as calling for his idea. What he said and what he did are perfectly competent, but what he thought is not.

A. No.

MR. LINDABURY: That is all with this witness, Mr. Colton.

RE-DIRECT EXAMINATION.

By MR. COLTON:

Q. Mr. Baackes, in your affidavit in connection with the Government's petition for injunction, did you state to the Court that you repeated again in Worcester the order which you had given in September, or some similar order?

MR. LINDABURY: I object to that. The affidavit speaks for itself.

MR. COLTON: I ask for an answer to my question. I let a letter go through a moment ago——

MR. LINDABURY: I am willing that the affidavit shall go in, if you desire it. The witness did not draw the affidavit.

MR. COLTON: I would like an answer to my question.

THE WITNESS: Can I read that affidavit?

MR. COLTON: No. It must go in, or else you must state from memory. You can tell what you remember, if anything.

THE WITNESS: I cannot remember that.

By MR. COLTON:

Q. Was not my conversation with you out in the ante room of the grand jury after you and Cragin had already carried

on a conversation with Whitney in respect to testimony before the grand jury?

MR. SEVERANCE: You mean the one about getting together?

MR. COLTON: Yes.

THE WITNESS: That was the second day afterwards.

By MR. COLTON:

Q. Did you know that the American Steel & Wire Company had not been indicted at the time, or at any time, in regard to the various wire pools?

A. The American Steel & Wire Company?

Q. The American Steel & Wire Company of New Jersey had not been indicted for its participation in the wire pools?

A. I think that is so.

Q. And you knew that at the time you ordered the papers to be destroyed?

A. Yes.

MR. SEVERANCE: You knew the officials had been indicted?

THE WITNESS: Yes; the officials had been indicted.

MR. SEVERANCE: And you and Mr. Cragin and Mr. Palmer had pleaded and paid your fine, and the cases were disposed of?

THE WITNESS: Yes. I do not know anything about the company.

MR. SEVERANCE: You assume that if Mr. Colton had wanted the Company indicted he would have done it?

MR. DICKINSON: I object to that.

MR. COLTON: That is all.

MR. DICKINSON: It is too near the hour of adjournment to call another witness tonight.

MR. LINDABURY: Yes.

(Whereupon, at 3:55 o'clock p. m., the hearing was adjourned until tomorrow, Friday, May 10, 1912, at 10:15 o'clock a. m.)

FIFTH DAY.

Room 210 Custom House,
New York City.

Friday, May 10, 1912.

The hearing was resumed at 10:15 o'clock a. m. before Special Examiner Henry P. Brown.

Appearances the same as heretofore noted.

ALVIN I. FINDLEY,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By Mr. Dickinson:

Q. Where do you live, Mr. Findley?

A. New York City.

Q. What is your age?

A. 52.

Q. In what business are you engaged?

A. I am editor of the Iron Age.

Q. How long have you been engaged as such?

A. Seven years.

Q. Did you have any connection with the Iron Age before that?

A. No, sir; not with that paper.

Q. What had been your occupation before that?

A. I was editor of the Iron Trade Review for 13 years.

Q. So, for twenty years you have been an editor of that character of information, have you, which is reproduced in those two papers?

A. I have, yes, sir.

Q. State whether or not, before you were connected with the Iron Age, you knew its reputation in the trade as a trade journal and its authoritativeness upon the question of prices?

A. I knew it as an authority.

Q. Was it or not generally accepted, in the trade throughout the period which you have mentioned, before you were connected with it, and then since you have been connected with it as an authentic source of information upon the question of market prices?

A. That was my understanding of its status.

Q. State whether or not, in those commodities the prices of which it quotes from time to time, transactions are made upon them and accepted in the trade generally as reliable and authentic?

A. Many transactions are made; many contracts are made based on quotations in the Iron Age, and settlements are made on those quotations.

Q. State whether or not those figures are received generally in the trade as reliable figures.

A. I believe that to be the case.

Q. Mr. Findley, I hand you four charts, and ask you to please examine them and state, first, whether or not you identify them. I will then pass them to counsel. They are marked Government Exhibit No. 38, pages 1, 2, 3 and 4, for identification. Have you duplicates of these in your hands?

A. I have, at your request.

Q. Please turn to them and take the first one, Mr. Findley. What is that chart?

A. That is our chart showing fluctuations in the prices of pig iron and semi finished steel and finished iron and steel from January 1, 1893, to January 1, 1902.

Q. There are figures on the sides of this chart. What do those figures show?

A. The columns of figures there show the prices of pig iron, monthly average prices, the average of our weekly quotations for each month in pig iron in dollars per ton and in steel billets in dollars per gross ton.

Q. Without repeating them, they show variously the prices there at the head of each column of the various forms of material?

A. They show the prices of these various forms of material, yes.

Q. State according to the custom of the Iron Age how these figures are compiled.

A. The average for the month is secured by dividing the number of publications in that month, which would be the same as the number of market reports published, into the sum of the prices given in the publications of a month.

Q. So each price set out for any particular month of any particular article indicates the market price?

A. Of the four quotations or five quotations given in that month.

Q. How are those quotations gotten?

A. They are gathered by our representatives in the different market centers, Pittsburg, Philadelphia, Chicago, Cincinnati, Cleveland, Birmingham, St. Louis; but each product that is represented here is given for a definite place; Pittsburg for most of them.

Q. That is shown at the bottom, is it?

A. That is shown at the bottom of the chart.

Q. I notice it says, "Beams, Philadelphia; steel billets, Pittsburg." So it is indicated there what the price of each product is at that particular place?

A. Yes sir.

Q. And those are the average prices for the month at that particular place, the prices being indicated here in the columns on the side?

MR. LINDABURY: Rather, those are the average weekly prices; not strictly the average monthly prices, because the average is made up of the weekly average, I take it.

A. That is correct.

By MR. DICKINSON:

Q. You take the weekly average and add those weekly averages together, and then divide them and get the monthly average?

A. Yes.

Q. I observe that there is a column on each side of the chart, a vertical column?

A. Yes.

Q. Headed, "Dollars per gross ton." What do those figures indicate?

A. Those indicate the dollars per ton of 2240 pounds, and each product on the chart is reduced to gross tons, whether it is quoted in the market by pounds or hundred pounds. The curve shows the various prices per gross ton.

Q. The prices are set out in the columns. What does the chart itself indicate?

A. The chart is a graphic representation of the fluctuations in prices from month to month over the period covered by the chart.

Q. What do these spaces indicate. For instance——

A. Moving to the right from the lower left hand corner, the spaces are months. Moving vertically from the lower left hand, the spaces are one dollar each.

Q. So, taking any of these spaces, and moving from left to right, each space indicates a month?

A. A month.

Q. And where the lines fall, if they do so fall, about the middle of that month, that would indicate, then, the average monthly price for that particular article for that month and year, based, as you have explained, upon the weekly quotations?

A. It would indicate it in relation to the preceding month and the following month.

MR. LINDABURY: Will you pardon me a moment, in order that I may understand it.

MR. DICKINSON: Certainly.

MR. LINDABURY: I infer from the statement that when a month's average price differs from the preceding month and the succeeding month the angle in the chart is made in the middle of the month, in the space at the middle of the month.

THE WITNESS: The middle of the space is taken.

MR. LINDABURY: And the angle is made in the middle——

THE WITNESS: Between the middle of one and the middle of the other, and the line is drawn connecting the two.

By MR. DICKINSON:

Q. Looking at that chart, Mr. Findley, please state the price shown there for barb wire in the month of December, 1898?

A. $37.50.

Q. That is, per ton?

A. Per gross ton.

Q. What was the price the 1st of March in 1899?

A. The average for the month of March in 1899 was $54.50.

MR. LINDABURY: Judge, is this merely for illustration? Of course we could spend days in putting these figures into the record.

MR. DICKINSON: I am not going to spend days. I am not going to be very long. But I want some explanation on the record so it will not be necessary to explain in a too lengthy way to the court. I am not going to make it very extended.

MR. LINDABURY: The trouble about that is that if you get from these charts these figures which you may want to use, and in your case put them on the record, we will have to do the same, and we may spend a day or two. I do not think there will be any question of challenge about these figures or charts, and I do not conceive that there would be any better way of getting the facts before the Court than by the use of the charts.

MR. DICKINSON: I did not understand your last remark.

MR. LINDABURY: I say that I do not conceive that there is any better way of getting the facts before the Court than by these charts.

MR. DICKINSON: I want some explanation in the record as I go along, and I shall be very brief on that.

By MR. DICKINSON:

Q. What was the price for the month of May, 1899?

A. $60.50.

Q. What was it for January, 1900?

A. A little over $85 per gross ton.

Q. What was it for the first of May, 1900?

A. The same—about $85.25.

Q. Are you not mistaken about that—for the month of May?

A. Pardon me; I took it for March.

Q. About $63, is it not?

A. $63, yes.

Q. Was there any change during 1900 as shown by this chart, from the month of May, to the end of the year?

A. The price is uniform throughout the year at $63.

Q. What is the last price shown on this chart, which is for December, 1901?

A. $65.

Q. Now, Mr. Findley, I call your attention to wire nails. What was the price of wire nails in December, 1898?

A. $28.50.

Q. What was the price of wire nails in January, 1900?

A. $71.60, or 75 cents.

Q. How long did it remain at that figure?

A. For two months. The February average and the March average were the same.

Q. Then, in May, 1900, what was it?

A. $49.50.

Q. What is the last quotation of wire nails shown on this chart?

A. The last quotation is a little over $44.50.

MR. LINDABURY: For what date?

THE WITNESS: For the month of December, 1901, the average for that month.

MR. LINDABURY: I thought you wanted to get that, Judge. Pardon me for interrupting.

MR. DICKINSON: Yes, that is correct.

MR. LINDABURY: Unless you give the date it does not mean anything.

MR. DICKINSON: That is true, but, of course, the chart showed it.

By MR. DICKINSON:

Q. Now, take beams, the price at Philadelphia. What were those in the latter part of 1898, say December, 1898?

A. $30.50.

Q. That is the black line on the chart?

A. That is the heavy black line.

Q. What were they in October, 1899?

A. For that month the average was about $53.75.

Q. How long before there was a change in that price?

A. That average price continued until May, 1900.

Q. What was the price in September, 1900?

A. $36.75, about.

Q. What was the price on the last date shown on this chart, to wit, December, 1901?

A. For the month of December, 1901, $39.25 to $39.50.

MR. LINDABURY: Are you speaking about beams, now?

THE WITNESS: Beams.

MR. DICKINSON: These charts are offered in evidence.

MR. LINDABURY: There is no objection.

(The charts previously marked No. 68, pages 1, 2, 3 and 4 for identification, were thereupon marked "Government's Exhibit 68-a, 68-b, 68-c and 68-d, May 10, 1912.")

By MR. DICKINSON:

Q. Now take steel rails: what is the price of steel rails in November, 1898?

A. $16.50.

Q. That is per ton?

A. Per gross ton?

Q. What was the price the latter part of November, 1899?

A. For the month of November, 1899?

Q. Yes.

A. The average was $35.

Q. There appears to have been a lower price for the month of February, 1900. Is that correct?

A. For the month of February?

Q. What was that?

A. It averaged $34.

Q. What was the price in March?

A. $35.

Q. How long did that continue?

A. Through August of that year.

Q. What was the price in September, 1900?

A. The average price was $26 in September, 1900.

Q. What is the last price shown on this chart, for December, 1901?

A. The average price was $28 in December, 1901.

Q. Take cut nails. That is represented by the small blue line, is it not?

A. The solid blue; yes, sir.

Q. In December, 1898, what was the price of cut nails?

A. $24.50.

Q. What was the price in October, 1899?

A. $56.

Q. In December, 1899?

A. $54.60 or $54.70, around there.

Q. There was a rise, was there, in January, 1900?

A. In January the average price was $56.

Q. How long did that continue?

A. That continued for three months more.

Q. What was the closing price shown for December, 1901?

A. $46.

Q. State whether or not between the initial periods about which I have asked you in respect to each of these articles, the prices ever got as low, to the end of 1901, as they were at the initial period in regard to which I asked you, in 1898. To refresh your memory I asked you about beams. Just state whether on beams the price ever got as low to the end of 1901 as it was in 1898?

A. No, sir. You mean 1901?

Q. Yes, to the end of this chart.

A. 1901.

Q. How about barbed wire?

A. The same is true of barbed wire.

Q. Wire nails?

A. It is also true of that.

Q. Steel rails?

A. The same.

Q. Cut nails?

A. Cut nails also.

Q. Please turn to the next chart and state what that is.

A. It shows the fluctuations in the prices of crude and finished iron and steel from January 1, 1898, to January 1, 1912, stated in gross tons.

Q. As I understand it, as to some products there is an overlapping of this map and the preceding one as to some years.

A. For four years.

Q. As to what articles—beams is one, I believe?

A. Beams is one, steel rails and wire nails.

Q. I will begin, then, with the year 1902. As to the beams here, the prices are quoted at Pittsburg, as shown.

A. Beams at Pittsburg.

Q. What was the price of beams in January, 1902?

A. About $35.75; a trifle under $36.

Q. What were they in October, 1902?

A. $46.50.

Q. What were they in February, 1903?

A. A trifle under $36.

Q. How long did they continue at that price?

A. Through October of 1903.

Q. I will ask you to look and see if you are not mistaken?

A. I am. I have taken another line; August, 1904.

Q. Then there appears to have been a drop there in November, 1904. What was the price there?

A. $31.50.

Q. What was the price in September, 1905?

A. $38.25.

Q. How long did that price continue?

A. Through May of 1908.

Q. Take wire nails. We have already brought wire nails on the other chart down to the end of 1901. Now, take them in January, 1902. What was the price?

A. $44.75.

Q. What were they in February, 1902?

A. $46.

Q. How long did that price continue?

A. That ran through August of that year.

Q. What was the price in March, 1903?

A. $44.75.

Q. How long did that price continue?

A. That continued to October of that year.

Q. What was the lowest price reached in wire nails, as shown by that chart which continues down through December, 1911?

A. The lowest price is the price at the close of 1911.

Q. What is that?

A. $34.50.

Q. Now, take steel rails. What was the price in January, 1902?

A. The average price was $28 for Bessemer steel rails.

Q. When did that price begin?

A. As an average for the month of May, 1901.

Q. Does any change show in that price?

A. Not on that chart.

Q. It shows cuttings, does it?

A. During that time.

Q. I did not ask you about beams, did I, on this?

A. I think you did. You asked about beams, as I thought.

Q. On this chart, did I?

A. I thought you did.

Q. Now, please turn to the next chart. What is that?

Mr. Lindabury: Suppose, if you do not mind, you let us mark these copies the way yours are, so we will not get confused.

Mr. Dickinson: Anything to facilitate an understanding of it.

(The copies of charts used by the witness were marked 68-a, 68-b, 68-c, and 68-d, corresponding with the exhibits of the same numbers.)

Mr. Lindabury: Now, what is the one you are asking about?

Mr. Dickinson: 68-c.

Mr. Lindabury: Now we can follow it.

Q. Tin plate domestic, in 1898. What was the price in October?

A. $2.75 a box at New York.

Q. That is 100 pounds?

A. Of 100 pounds.

Q. What was the price in March, 1899?

A. $4.05 a box.

Q. What in September, 1899?

A. $4.22.

Q. December of 1899?

A. $4.85.

Q. What was it in August, 1900?

A. The same, $4.85 a box.

Q. Then what in September, 1900?

A. September, about $4.40. October is the one you may be thinking of.

Q. Yes; it is October.

A. Yes; October.

Q. It is quite hard to get these spaces.

A. Yes, it is difficult. $4.40.

Q. How long did that price remain constant?

A. It remained until the end of 1901, according to this chart.

Q. Now, on tin plate, I will ask you to turn to the next chart, 68-d, and state what the price was in May, 1902?

A. $4.20, or a fraction under that, a box.

Q. In June, 1904, I believe it is; what is the lowest mark there? What month is that in?

A. The lowest mark.

Q. Yes. In June, 1904, what was the price?

A. $3.65.

Q. What was it in May, 1906?

A. $4.85.

Q. What is the last figure quoted on this chart?

A. $3.65. That was December, 1911.

Q. What did you say the first figure was, in October, 1898 —$2.75, I think you said?

A. $2.75 for September and $2.80 for October.

Q. $2.75 for September?

A. Yes, sir.

Q. As shown by these charts, from that date to December, 1911, did the price ever go as low as $2.75?

A. It did not.

Q. Now, take tin, on Exhibit No. 68-c. We had tin plate before?

MR. LINDABURY: The subsidiaries of the United States Steel Corporation do not any of them make tin, I think.

MR. DICKINSON: Well, just pass that, then.

MR. REED: What was the price of tin plate in December, 1911?

THE WITNESS: $3.64. $3.65 is about what it looks like here. There is 24 cents freight from Pittsburg. $3.64 a box.

By MR. DICKINSON:

Q. For what?

A. For December, 1911.

Q. In regard to some of these articles specified, I understand that some prices are what you call base prices. Is that correct?

A. They are base prices in all cases.

Q. In order that there may be no misunderstanding, please explain what that applies to, to which of these products and what the base price means, and how the prices of other sizes were fixed in respect to the base price?

A. In the case of steel beams, the base sizes are those running from 3 inches to 15 inches. Over 15 inches there are extras. In the case of bars, the base sizes are three-quarters of an inch bars to three and one-sixteenth inches. All between those limits are base and carry the base price. Other sizes carry extras.

Q. Are these the base prices upon which the trade figures the prices by adding the extras?

A. Yes, and the extras are added.

CROSS-EXAMINATION,

By Mr. Lindabury:

Q. This chart (Exhibit 68-a) runs back to 1893 and covers the period of 1901. Can you see it there?

A. Yes.

Q. Your attention was first called to barbed wire. That seems to have fluctuated greatly in price during the period covered by the chart?

A. It did.

Q. I notice the chart shows that everything was way down in the years 1897 and 1898. You observe that, do you not?

A. Yes, sir.

Q. Do you remember the condition of the market during that time? That was a panicky period, was it not?

A. It was a period of depression.

Q. And there was very great depression in all branches of the steel and iron industry during that time, was there not?

A. That is true.

Mr. Severance: And in all industries.

By Mr. Lindabury:

Q. Is that true of industries generally throughout the country?

A. During that period?

Q. Yes, or does your information stop with the steel and iron industry?

A. I trust it does not. I think that was true of all industries.

Q. There was a general depression in trade of all kinds during that period, was there not?

A. There was.

Q. I notice the prices generally went up in 1899 and 1900. That is true apparently of the steel and iron prices, is it not?

A. That is true of all——

Q. And that was true of products of all kinds, was it? I mean market conditions generally were very greatly advanced during that time, were they not?

MR. DICKINSON: I would just like to ask the witness a question as to his qualifications.

MR. LINDABURY: Certainly.

By MR. DICKINSON:

Q. Mr. Findley, is it a part of your business to study the markets of products other than steel and iron; did you keep yourself posted in regard to the statistics in other trades?

A. In a general way, but in a more definite way I concerned myself with the steel and iron trade.

Q. You are speaking of your general impression?

A. My general information. But I would not speak about those products at this time in answer to that question of Mr. Lindabury.

By MR. LINDABURY:

Q. I only meant to ask you generally if you remembered that the market conditions had greatly improved in the latter part of 1899 and 1900 over the two or three preceding years. You remember that, do you not?

A. That is quite true.

Q. And you know it especially with regard to steel and iron?

A. With regard to steel and iron especially; yes, it was quite marked.

Q. Take wire nails. What was the price of wire nails in

January, 1900? I think you gave it, but I will ask you to repeat it, as introductory to what I want to ask.

A. $71.50 a gross ton.

Q. What was the price of wire nails at the time the Steel Corporation was formed, which was in April, 1901?

A. $51.50.

Q. Then, when the Steel Corporation was formed, they were selling at $51.50. What were they selling for when this bill was filed in October, 1911? Take the average for the month of October, 1911.

A. $36.50.

Q. $36.50 as against what in April, 1901?

A. $51.50.

Q. During the period of the existence of the Steel Corporation the prices went down something over $15 a ton?

A. That is the difference between the prices,.the average in April, 1901, and the average in October, 1911.

Q. How long did the price prevailing in April, 1901, for wire nails continue?

A. It continued through September of that year.

Q. Then it dropped?

A. The average—

Q. Never mind about the average; but it dropped, did it not?

A. Yes sir.

Q. It has been dropping, with some fluctuations up and down, but steadily downward, ever since, has it not?

A. Well, it has been fluctuating up and down since that time.

Q. Has it been as high since the organization of the Steel Corporation as it was during that time and during the two or three months that followed?

A. The average for the month has never been as high as in April, 1901.

Q. Yes; and there has been, with ups and downs, a general downward tendency ever since, has there not, aggregating $15 a ton at the end of the period?

A. That is the interval between those two averages.

Q. Yes. Now take the next product you have on there

and that you mentioned in your direct examination. What is it?

A. Beams.

Q. Beams. What was the price of beams in 1900?

A. In any particular month of 1900?

Q. Have you 1900 there?

A. 1900, yes.

Q. What was it then?

A. For any definite months? These are by months. I have no yearly average.

Q. Well, suppose you give me April, 1901. That is the date I am most concerned about. That was when the Steel Corporation was formed.

A. $35.75.

Q. The Steel Corporation makes steel beams, does it not, through its subsidiary companies?

A. Yes, sir.

Q. And it makes wire nails through one of its subsidiaries, does it not?

A. Yes, sir.

Q. Coming back to beams, what did you say the price was in April, 1901?

A. The average price was $35.75.

Q. And in October, 1911, when the bill was filed, what was it?

A. $27.25.

Q. $27.25. Which is the line of steel beams here (indicating on exhibit)?

A. The black line.

MR. DICKINSON: The heavy black line is steel beams.

By MR. LINDABURY:

Q. That price has fluctuated ever since the Steel Corporation was formed, has it not?

A. It has fluctuated.

Q. Take tin plate; that is made by the Steel Corporation or one of its subsidiaries, is it not?

A. Yes.

Q. What was the price of tin plate in April, 1901, when the corporation was formed?

A. Somewhat below $4.20—it might be $4.18.

Q. How long did it continue at that price after the Steel Corporation was formed?

A. It continued at that average price through October, 1902.

Q. Then it dropped, did it not?

A. It dropped then.

Q. Has it ever been as high since then?

A. It has not.

Q. What was it when this bill was filed, in October, 1911?

A. $3.75—$3.74 probably is correct.

Q. That is 45 cents a box cheaper, Mr. Severance says, than when the steel corporation was formed. Do his mathematics and yours agree?

A. The difference between $4.20 and $3.75; that is about 45 cents, yes sir.

Q. Suppose we take copper, since you have got it there although the Steel Corporation does not make it; the chart shows it.

MR. DICKINSON: To which chart are you referring now?

MR. LINDABURY: The chart 68-d.

By MR. LINDABURY:

Q. What was the price of copper when the steel corporation was formed?

A. About 17 cents a pound.

Q. Did that get up any higher after the corporation was formed?

A. Very much higher.

Q. Where did that get to?

A. It got above 25 cents, in 1907.

Q. A rise from what, 17 to 25?

A. 17 to 25.

Q. What was the price in October, 1911?

A. 12.60 cents.

Q. Copper is subject to very wide fluctuations, is it not?

A. It has been.

Q. For a good while?

A. It has been.

Q. It was cheaper than that in 1898, was it not?

A. Yes.

MR. SEVERANCE: How much was it then?

THE WITNESS: 11 cents.

Q. What is copper now, if you know?

A. 16 cents or 16-1/8.

Q. I will call your attention to two other products of the Steel Corporation shown here: One is steel bars. Will you please tell what they were selling at when the Steel Corporation was formed, in April, 1901?

A. $33 a ton.

Q. And at what in October, 1911?

A. $25.

Q. A difference of $8 a ton?

A. That seems to be right.

Q. That means that they were $8 a ton cheaper when the bill was filed than when the Steel Corporation was formed, does it not?

A. $8 a ton cheaper between the two times.

Q. Between the two dates?

A. Yes.

Q. Take Bessemer billets, or steel billets; they are called sometimes by one name and sometimes by the other, are they not?

A. Yes.

Q. What were they selling at when the Steel Corporation was formed, in April, 1901?

A. $24, Pittsburg.

Q. What were they selling at in October, 1911, when the bill was filed?

A. $20, Pittsburg.

Q. How much difference was that?

A. $4 a ton.

Q. Take Bessemer pig; that is one of the products of the Steel Corporation, is it not?

A. Bessemer pig is; yes, sir.

Q. What was that selling at in April, 1901?

A. $16.75, Pittsburg.

Q. It had been gradually rising for some months, had it not?

A. Before that time?

Q. Yes.

A. It had.

Q. And then immediately began to drop, did it not?

A. Well, it dropped slightly in the next few months.

Q. What was it in October, 1911?

A. $15.60; that is the blue line.

Q. Yes; the broken blue line?

A. The broken blue line.

Q. You have been asked about tin plate on Chart 68-c. I think there is not anything else on that chart that the Steel Corporation makes?

A. Possibly some spelter; I am not sure about that.

Q. If it makes spelter, it cannot be a large amount?

A. A small amount.

Q. I cannot remember to have heard of it.

That is all.

RE-DIRECT EXAMINATION.

By Mr. Dickinson:

Q. Mr. Findley, turn to Chart 68-b, there. You have just been asked about Bessemer pig, and the price in 1901 and 1911. I do not think I asked you about Bessemer pig. These prices are Pittsburg prices, are they?

A. Pittsburg prices.

Q. What was the price in March, 1902?

A. $17.50.

Q. How long did that stay constant?

A. That advanced pretty steadily until——

Q. 1902?

A. 1902, I have, for Bessemer pig.

Q. March, 1902. Did it not continue along until 1903, at substantially the same price? That is the way my chart shows.

A. It is the broken blue line, the pig iron, the lower set of curves there.

Q. Yes; I had the wrong one. I had the long bars and not the short ones.

You were asked about fluctuations in copper and other prices. Look at these charts and see whether or not copper did not fluctuate more during the periods shown by them than this tin plate?

A. Referring now to which chart? During what period?

Q. Well, from 1901 to the end?

A. The fluctuations in copper are very much greater than those in tin plate.

Q. The prices were not maintained so steadily in copper as they were in tin plate?

A. There was a wider range in fluctuation.

Q. And the fluctuations were more rapid, were they not?

A. More rapid and more frequent.

Q. The prices were very inconstant, as shown there, were they not?

A. Quite so.

Q. Now, take wire nails. How did the fluctuations in copper during that period compare with wire nails?

A. Between what years, 1901 and 1911?

Q. Yes; April, 1901, to the end of that chart, 1911?

A. The fluctuations in copper were greater, the peaks and dips.

Q. During that period, 1901 to 1911, what was the highest and lowest price?

A. 1901 to 1911? The average for a month, the lowest average, was 11½ cents.

Q. And what was the highest?

A. The highest in that time was 25½ cents.

Q. What was the difference?

A. 14 cents.

Q. That is, on what basis?

A. 14 cents per pound higher.

Q. Now, take wire nails. What was the highest during the period 1901 to 1911, and what was the lowest?

A. $51.75 per gross ton was the highest in that period.

Q. And the lowest?

A. The lowest was $34.50.

Q. That is, per gross ton?

A. Per gross ton.

Q. How did the fluctuations in copper compare with the fluctuations in steel rails? Which was characterized by the greatest fluctuations?

A. There was no fluctuation in the price of Bessemer steel rails at all.

Q. During that period?

A. No sir.

Q. How about steel beams? Which was subject to the greater fluctuation, copper or steel beams?

A. The changes in copper were more frequent and more extensive.

Q. More radical and more extensive than steel beams. You were asked, Mr. Findley, whether or not in 1899 and 1900 there was a general increase in business of all character. I will ask you, from your knowledge of the business conditions, and especially in the iron and steel industry, whether or not that was not the period of large consolidations of iron and steel industries?

A. Referring now to the year 1899?

Q. 1899 and 1900?

A. Several consolidations were formed in that time.

Q. I will ask you if the Carnegie Company of New Jersey was not formed in 1900?

A. I could not recollect the time, but that is my impression.

Q. Well, the National Steel Company, about that time?

A. I think that is about right?

Q. The American Steel & Wire Company about that time?

A. I suppose 1899.

Q. American Tin Plate Company?

A. About that time.

Mr. Lindabury: What is the object of this? The date of the formation of each of those companies is admitted on the record.

Mr. Dickinson: That is all so, but I want to show by him that these advances were coeval with the consolidations.

By Mr. Dickinson:

Q. Is that a fact?

MR. SEVERANCE: You do not call the Carnegie Company of New Jersey a consolidation, do you?

MR. DICKINSON: Well, it was incorporated. Yes, there was a consolidation.

MR. LINDABURY: Well, the advances were coeval with these consolidations—

By MR. DICKINSON:

Q. Did not these advances follow sharply upon those consolidations?

A. Well, I don't know about the matter of the time element there. They happened in the year 1899. That was our great boom year.

Q. That was the boom year?

A. That was the boom year.

MR. DICKINSON: That is all.

RECROSS-EXAMINATION,

By MR. LINDABURY:

Q. That was a boom year in all branches of industry, was it not?

A. It was.

MR. DICKINSON: A boom year in combinations, too. I will call Mr. Taylor.

THOMAS H. TAYLOR,

called as a witness in behalf of the United States Government, being first duly sworn, testified as follows:

DIRECT EXAMINATION,

By MR. DICKINSON:

Q. Mr. Taylor, where do you live?

A. Montclair, New Jersey.

Q. What is your age?

A. Fifty-five.

Q. In what business are you engaged?

A. I am employed by the American Steel & Wire Company.

Q. How long have you been employed by the American Steel & Wire Company?

A. Since its organization.

Q. In what capacity are you now employed?

A. Assistant General Sales Agent.

Q. How long have you been in that position?

A. Twelve years.

Q. Mr. Taylor, before you went with the American Steel & Wire Company, in what business were you engaged?

A. In the wire business.

Q. With what concern, if any?

A. With the American Steel & Wire Company of Illinois.

Q. That was absorbed by the American Steel & Wire Company of New Jersey, was it?

A. Purchased.

Q. You followed it into the new purchase, did you? You went to the new company?

A. I did.

Q. How long had you been with the American Steel & Wire Company of Illinois?

A. One year.

Q. What had been your occupation previous to that, Mr. Taylor?

A. I was in the wire business.

Q. Associated with what company or companies?

A. The Washburn & Moen Manufacturing Company.

Q. How long with them?

A. About six years.

Q. In what capacity?

A. Sales Manager.

Q. State whether or not, in the capacities in which you have served with those several organizations that you have named, it was a part of your business to know the trade to which those companies sold.

A. Some of the trade.

Q. What of the trade? In respect of what articles?

A. The trade with respect to the articles that came under my direction in the territory in which I was operating.

Q. When you were with the American Steel & Wire Company of Illinois, what territory there did your acquaintance extend to in the course of your business?

A. The entire United States as to certain products.

Q. As to what products?

A. Wire products required by manufacturers.

Q. What character of products?

A. Such products as are required in the manufacture of bolts, screws, bevels, and miscellaneous articles made of wire.

Q. Mr. Taylor, who were the competitors of the American Steel & Wire Company of Illinois, in that territory and in respect of the articles that you have named? Just name them, will you?

A. The Cleveland Rolling Mill Company.

Q. Yes.

A. Washburn & Moen Manufacturing Company, Ohio Wire Company, Prentice Wire Company, Spencer Wire Company.

Q. I will ask you more specifically, Mr. Taylor, to answer in regard to these several companies as I call them over. When I speak of these companies, I mean all of the plants operated by them, wherever situated. You have already mentioned the Washburn & Moen Manufacturing Company. How about the Worcester Wire Company?

A. They competed.

Q. The Cleveland Rolling Mill Company you have already mentioned.

A. In some products they competed.

Q. Did you have anything to do with wire fencing?

A. No, sir.

Q. The Garden City Wire & Spring Company?

A. They did not compete.

Q. They did not compete with you?

A. No.

Q. That is to say, in your territory and in respect to the articles you are referring to. How about the Consolidated Barb Wire Company?

A. To a very limited degree.

Q. In what way did they compete?

A. In the coarser products.

Q. What were they?

A. Nails and barbed wire.

Q. They did compete with your company in nails and barbed wire, did they?

A. Yes.

Q. The Laidlaw Bale Tie Company?

A. No.

Q. The Cincinnati Barb Wire Fence Company?

A. The Cincinnati Barb Wire Fence Company was a part of the American Steel & Wire Company of Illinois, I think. So was one of the other companies that I answered about before—the Consolidated.

Mr. Severance: Do you want your answer to stand that way, then, in reference to the Consolidated Company?

The Witness: No, I want to change it.

By Mr. Severance:

Q. The question referred to the time of the Consolidation of the American Steel & Wire Company.

A. The American Steel & Wire Company of Illinois were owners of the Consolidated Barb Wire Company and of the Cincinnati Barb Wire Fence Company. I was mistaken when I said that the Consolidated was a competitor.

Q. How about the Newburgh Wire & Nail Company?

A. I do not recall that concern under that title.

Q. How about the Allegheny Furnace Company?

A. They were not in the wire business, I think.

Q. The Pittsburg Wire Company?

A. It was a competitor in common products, but not in the products with which I was familiar.

Q. You know they were a competitor in common products?

A. They were makers of common products.

Q. And were selling them in the market?

A. Yes.

Q. And in the same territory that your company was selling in?

A. Yes, sir.

Q. Their works were located in Braddock, Pennsylvania?

A. Near Pittsburg.

Q. And they were selling their products in competition with your company?

A. They were.

Q. And where was your company, the one you represented, located?

A. Our head office was Chicago.

Q. And they were selling their products, were they not, outside of the state where they were manufactured, in interstate commerce?

A. They were.

Q. How about the Shenango Valley Steel Company?

A. I do not think they were wire makers.

Q. I believe you mentioned the Oliver Wire Company?

A. Yes.

Q. Was the Oliver Wire Company selling outside of the State of Pennsylvania?

A. Yes, sir.

Q. In the several states, in the territory you are acquainted with, in competition with the companies you have named?

A. Yes, sir.

Q. How about the Shoenberger Steel Company?

A. They were not makers of wire.

Q. How about the Puget Sound Wire Nail & Steel Company?

A. I know very little about that, sir.

MR. DICKINSON: That is all.

CROSS-EXAMINATION,

By MR. SEVERANCE:

Q. At this time, Mr. Taylor, there were a large number of companies outside of the American Steel & Wire Company, that were competing with you, were they not?

A. Yes, sir.

Q. Scattered around in the different parts of the country?

A. Yes.

Q. You did not have a monopoly of the business in any part of the country?

A. No, sir.

MR. SEVERANCE: That is all.

Mr. Dickinson: I will call Mr. Newbury.

FRANK G. NEWBURY,

called by and in behalf of the United States, being first duly sworn, testified as follows:

DIRECT EXAMINATION.

By Mr. Dickinson:

Q. Where do you reside?

A. Trenton, New Jersey.

Q. How old are you?

A. 48 years old.

Q. With what company are you connected?

A. John A. Roebling's Sons Company.

Q. In what business are they engaged?

A. The manufacture of wire.

Q. And wire products?

A. Yes.

Q. How long have you been with them?

A. 22 years.

Q. In what capacity are you now serving with them?

A. In charge of their insulated wire business.

Q. How long have you been in charge of that business?

A. For 20 years.

Q. State whether or not you knew anything about the Rubber Covered Wire Association?

A. Yes, sir.

Q. Did you or not represent the Roebling Company at the meetings of that association?

A. I was present at the meetings of the association.

Q. Did you or not attend regularly as the representative of that company?

A. I attended all of the meetings regularly.

Q. At the meetings of that association, who represented the American Steel & Wire Company?

A. Mr. Baackes and Mr. Cragin.

Q. George A. Cragin?

A. Yes, sir.

Q. Mr. Frank Baackes?

A. Yes, sir. And Mr. Frank Keys from the American

Steel & Wire Company was present at these meetings at various times.

Q. How about Mr. Merriman, Mr. Dennis Merriman?

A. I never saw him there.

Q. How about Charles A. Bassett?

A. He was there once in a while.

Q. Did that association have a supervisor?

A. Yes.

Q. Who was he?

A. E. E. Jackson, Jr.

Q. When was that association first formed?

A. 1903.

Q. I will ask you whether or not it was formed in 1900, and then reorganized in 1903?

A. Yes; it was.

Q. You remember that to be the fact, do you?

A. Yes, sir.

Q. How long did it continue?

A. Until the latter part of 1909.

Q. State what were the duties of the supervisor under the operations of that wire association?

MR. LINDABURY: Is that the one the minutes of which Mr. Roebling referred to?

MR. DICKINSON: No.

MR. LINDABURY: That is another one?

MR. DICKINSON: Yes.

MR. SEVERANCE: Which one is this?

MR. DICKINSON: This is the Rubbered Covered Wire.

MR. LINDABURY: You have no copy of those minutes?

MR. DICKINSON: No. I have nothing except this (indicating a paper). I do not know where this came from. I have a copy of another one.

THE WITNESS: The duties of the supervisor were to preside at the meetings which took place from time to time, and to provide and take charge of auditors who went over the sales of various companies; to answer questions that might be asked by any of the members.

Q. Was it or not his duty to see that the members of the association lived up to the agreements, and, if not, to report it?

A. I do not feel that I can say yes to that question, because——

Q. Do not say it, then, unless you feel justified in saying so. Did he have the authority to examine the books of the companies in regard to their sales and prices?

A. Yes, sir.

Q. Did he do that or not?

A. Yes, sir.

Q. From time to time?

A. Yes, sir.

Q. Did he have any authority to fix base prices?

A. In the sense of arbitrarily fixing a price, he did not. He declared prices which were in accordance with the prices of bar copper.

Q. Were these prices accepted and acted upon by the members of the association as he declared them?

A. They were.

Q. State whether or not the rules and regulations of this association provided for an allotment of output of the various members?

A. They did.

Q. Did you have a guarantee fund?

A. Yes.

Q. A deposit?

A. Yes.

Q. What was the object of that fund?

A. There were several funds. I am not sure that I remember them by their names. I believe the guarantee fund was a fund which was deposited for any excessive percentage that any company might sell.

Q. Just explain the operations of that feature, will you?

A. Each company had a percentage, and when their sales amounted to more than that percentage, they deposited money on account of their excess.

Q. What became of that money?

A. If they brought the percentage of their sales down to where it belonged, the money was returned to them.

Q. Suppose they did not do that?

A. It was forfeited at certain periods, if they were still in excess.

Q. And did that go to other members of the association?

A. It did.

Q. State whether or not each manufacturer made daily reports to the supervisor, as to sales?

A. He did.

Q. After the Association was disbanded, state whether or not you attended any lunches as the representative of the Roebling's Sons Company, from time to time?

A. I attended lunches.

Q. Whom did you meet at these lunches?

A. I met various people engaged in the manufacture of rubber covered wires.

Q. State whether or not these people were the people representing the same companies who had been in this rubber covered wire association before its disbandment?

A. Some of them were, and some of them were people who had not been in that association.

Q. Some few people came into these lunches that had not belonged to the association?

A. Yes.

Q. How about those who had been members of the association? State whether or not they generally attended these lunches?

A. They generally attended them.

Q. Was there an association called the Weatherproof & Magnet Wire Association?

A. Yes, sir.

Q. Did you attend the meetings of that Association?

A. Yes, sir.

Q. Representing Roebling's Sons Company?

A. Yes.

Q. State whether you had the same supervisor?

A. The same supervisor.

Q. State whether or not the rules and regulations were substantially the same as you have described in regard to the rubber covered wire association?

A. They were.

Q. And the operations under them were substantially the same?

A. They were.

Q. After that disbanded, state whether or not you attended lunches with representatives of those engaged in the manufacture of Weatherproof and Magnet wire?

A. I did.

Q. Were those or not the same people who had been in the Association, or rather the representatives of them?

A. They were.

Q. State whether or not, Mr. Newbury, you recognize that book, and state what it is?

A. (After examining book.) That is the printed minutes of the Rubber Covered Wire Association.

Q. Does it also contain rules?

A. Yes.

Q. Rules and regulations and minutes?

A. Yes.

MR. DICKINSON: This book need not be marked. I am simply going, by consent of counsel, to ask him about some of the minutes.

By MR. DICKINSON:

Q. What book have you there?

A. (After examining book.) I have the printed minutes of the Weather Proof & Magnet Wire Associaton.

Q. Does that contain the rules and regulations, also?

A. Yes, sir.

Q. You recognize it to be that?

A. Yes.

Q. Now, please turn, Mr. Newbury, to page 37, minutes of November 16th, 1905. Do you find that?

A. Yes.

Q. Please read that.

A. Page 37. "It was moved, seconded and unanimously carried, that the price on tinned annunciator—"

Mr. Dickinson: Just a minute. I do not care to put the whole of this in. It is only just this one paragraph.

MR. REED: If this goes in, it is understod that either side may refer to any part of the minutes.

MR. DICKINSON: Oh, yes.

By MR. DICKINSON:

Q. I just ask you to read from the minutes of that date the paragraph marked there.

A. (Reading): "It was moved, seconded and unanimously carried that the price of magnet and weatherproof wire to the General Electric Company and Westinghouse Electric & Manufacturing Company for their own consumption only shall be open."

Q. What does that mean, "shall be open?"

A. That any member may make to these companies any prices that he sees fit without any reference to the recommended prices of the Association.

Q. Please turn to page 41, the minutes of December 14th, 1905, and read the part that is marked there.

A. (Reading) "It was"—

MR. DICKINSON: I understand it is agreed by counsel that I can read these parts, of course, subject to your putting in the whole if you want to.

MR. REED: That applies to both of these books, the Rubber Covered and the Magnet and Weatherproof.

MR. LINDABURY: My understanding is that these rules of different associations were substantially the same.

MR. DICKINSON: I am nearly through. These are minutes showing specific action on a specific thing.

MR. LINDABURY: What I was going to say was that I do not see why we should not agree that after you have put in one that the rest are the same. But you are on another subject now.

MR. DICKINSON: Yes; and this will end that subject.

MR. LINDABURY: Was this witness present when these minutes were made.

By MR. DICKINSON:

Q. See if you were present when that was done.

A. Yes.

Q. Now read it, will you?

A. (Reading): "It was moved, seconded, and unanimously carried, that the print price of weatherproof and magnet wire shall be one-quarter of a cent higher than the minimum price."

Q. Turn now to page 90, minutes of June 20th, 1907, and state whether you were present at that meeting?

A. I was.

Q. Now, read the marked portion.

A. "It was moved, seconded and unanimously carried that the price of iron weatherproof wire be advanced one cent per pound upon notice from the Supervisor that the Association of Western Manufacturers of Weatherproof and Magnet Wire agree to absolutely maintain the prices of this association on weatherproof and magnet wire, and, further, that they agree to see all iron weatherproof wire by the pound and not by the mile."

Q. Now, page 110. Look up the minutes of May 21st, 1908, and state whether you were present? and if so, read the marked part.

A. I was present.

Q. Now read, will you, about the Supervisor calling attention to a circular letter.

A. "The Supervisor also called attention to his circular letter No. 125, of April 20th, 1908, giving report of the committee consisting of Messrs Cragin, Phillips and Newbury, establishing the following prices, to take effect immediately for iron weatherproof wire."

MR. DICKINSON: With your consent, I shall not put in those prices.

MR. REED: It is all right. It appears in the minutes.

MR. DICKINSON: But I mean to say we will omit the prices by consent of counsel.

By MR. DICKINSON:

Q. Mr. Newbury, please examine these two papers and state whether you identify them, and then hand them over to Mr. Reed?

A. I recognize these letters.

MR. DICKINSON: Let them be marked, will you please? They are offered in evidence, and I will have them read?

By MR. REED:

Q. Did you sign your letters in typewriting that way?

A. I did.

Q. Do you know that this is a letter that came from you?

A. I believe it to be.

(The paper so identified, being letter dated June 26, 1909, from F. J. Newbury to L. V. Hubbard, was thereupon offered in evidence and marked "Government's Exhibit Newbury No. 71, May 10, 1912." Also the letter from E. E. Jackson, Jr., per C. MacInnes to F. J. Newbury, dated June 23, 1909, was thereupon offered in evidence and marked "Government's Exhibit Newbury No. 72, May 10, 1912.")

MR. DICKINSON: I will read these.

"New York, June 23, 1909.

"MR. F. J. NEWBURY,
"TRENTON, N. J.

"DEAR SIR:

"Re Weatherproof &Magnet Wire—Guarantee Deposit.

"I enclose herewith Bulletin No. 279½ being adjusted figures to April 30th, 1909.

"You will note from this bulletin that there is due from you as forfeiture $2203.21. You have forfeited for this account $1980.58.

"There is, therefore, due from you at this time $222.63, check for which I shall be pleased to receive at an early date.

"Yours very truly,

"E. E. JACKSON, JR., Supervisor.
"Per C. MacInnes."

"June 26, 1909.

"WEATHERPROOF & MAGNET WIRE.

"MR. L. V. HUBBARD,
"New York City.

"DEAR SIR:

"I have yours of the 23rd inst. in reference to adjusted Bulletin No. 279-½, giving the figures for April 30th. In looking over these figures I find the results tabulated on the attached sheet. You will notice that I shot up from one-third

of one per cent. to seven-eighths of one per cent. over, and then back again. This behavior on my part is not due to what I did myself but it is due to what other people did to me. I find some people who behaved the other way. Mr. Remington was more under on the settlement day than immediately before or after; Mr. Smith seemed to have cancelled all his orders about settlement day and reinstated them later; Wallace probably did the same thing; Mr. Cragin seems to have reduced his percentage of overs for settlement purposes only, as he was back again on May 8th. It is easy enough to cancel all the orders that you have on the books when the settlement period comes, and reinstate them the week after; or it is easy to hold up orders and not enter them until after the settlement period.

"I am somewhat curious and I believe I have a right at least to ask questions as to how these things happened.

"Yours very truly,

"F. J. NEWBURY."

By MR. DICKINSON:

Q. You say in this letter written June 26, 1909:

"Mr. Cragin seems to have reduced his percentage of overs for settlement purposes only, as he was back again on May 8."

What information have you on that statement there? Please give it to me, will you?

MR. LINDABURY: What information? You mean what knowledge, do you not?

MR. DICKINSON: Well, I will put it as knowledge. Thank you.

MR. LINDABURY: You do not mean general information?

MR. DICKINSON: No, not general information.

By MR. DICKINSON:

Q. Just state on what knowledge you based that statement.

A. I had a report giving the amount that Mr. Cragin was over his allotment at various times, that part of my letter was written from an examination of that information sheet.

Q. Who was that report from?

A. The supervisor, E. E. Jackson.

MR. LINDABURY: And covering what period? Do you mind, Judge?

By MR. DICKINSON:

Q. Covering what period?

A. Those information sheets were given out during the entire period covered by the association.

Q. Do you mean to say each one covered the entire period? or they were given constantly during the period?

A. During the period.

Q. And what period did that particular one cover?

A. It was for the period of the date of the letter; I don't just recall what period.

Q. How long a time did that cover?

MR. LINDABURY: Were not those monthly reports?

MR. DICKINSON: I am trying to get at that now.

MR. REED: This exhibit 71 shows it was for adjustments up to April 30, 1909.

By MR. DICKINSON:

Q. But you state: "He was back again on May 8." What does that mean, Mr. Newbury, that he was back again on May 8?

A. That he was about the same amount over that he was at a previous date.

Q. What period of sales would that cover?

A. That would cover the entire period of sales.

Q. You mean for the whole time of the association?

A. Yes.

Q. What period did this report cover?

A. To what report do you refer?

Q. The report you had from the supervisor.

A. The report went back to the beginning of the association.

Q. Did every report of sales cover all the sales of each member throughout the whole period of the association?

A. Yes.

Q. Suppose the sales were made and a member was over his allotment and paid his penalty, did you make a fresh start then, or did each report cover the whole period?

A. Each report covered the whole period.

Q. It did not show any sales for the month of April?

A. I do not remember.

Q. You do not remember?

A. There were sales for every day of every month; I am sure of that.

Q. But when you say he was back again on May the 8th, to what time did that bring the sales down?

A. Perhaps I can answer your question best by not answering it directly.

Q. I would like to have you answer it the best you can from your information and knowledge.

A. In explanation of that part of that letter, I think I had in mind at the time I wrote that letter that Mr. Cragin had canceled certain stock orders that he had got from his stores and then after the settlement day had gone by, had reinstated those stock orders. That would temporarily bring him down in his percentage, but would immediately put him back again when those stock orders were re-entered.

Q. When was this association abandoned?

A. In the latter part of 1909.

Mr. Reed: You are referring now to the Weatherproof and Magnet Wire?

Mr. Dickinson: Yes, sir; to Weatherproof and Magnet Wire.

By Mr. Dickinson:

Q. The latter part of 1909. Then when this letter was written, that association was still in being?

A. What is the date of that letter?

Q. June 28, 1909.

A. Yes.

Q. State whether or not the American Steel & Wire Company was then a party to it.

A. I cannot be positive. They got out of these associations in the early part of 1909, but I do not recall just at what

time. Their account could not have been settled up, according to that letter.

Q. Do you know whether or not this account embraced any sales after their retirement from the association?

A. No.

Q. You would not undertake to state that?

Mr. Levermore: Judge, it already appears from your withdrawn that two or three of those continued for months after the withdrawal of the Steel & Wire.

Mr. Dickerson: I understand, but I am trying to get the explanation of this letter.

Mr. Levermore: I know you are. This is apparently one of them.

By Mr. Dickerson:

Q. So, as far as you know now from this letter, this may have referred to sales and transactions that took place before their withdrawal?

A. Yes.

Mr. Dickerson: Very well; that is all.

CROSS-EXAMINATION.

By Mr. Ryan:

Q. Mr. Newbury, I note in this minute book of the Rubber Covered Wire Association of the meeting of January 15, 1909, page 11, the following paragraph:

"The supervisor reported that he had received notices of withdrawal from this association, to take effect February 1, from H. A. Reed, George A. Cragin and La Baron C. Colt. The resignations were discussed at length."

Mr. Levermore: What is the date of that?

Mr. Dickerson: Was he present at that meeting?

By Mr. Ryan:

Q. That was at the meeting of January 15, 1909, at which you seem to have been present. And I notice also at the meeting of April 23, 1909, on page 20 of this same book, this paragraph:

"The chairman stated that the executive committee recommended that a new member be elected on the executive committee to take the place of Mr. George A. Cragin, and that the party receiving the largest number of votes be considered as elected."

I ask you to glance at these minutes (handing same to witness). Does that refresh your recollection as to the time when the Steel & Wire Company withdrew from the Rubber Covered pool?

A. I cannot state definitely when they did withdraw.

Q. What was the occasion of your electing a successor to Mr. Cragin? What was the reason for electing a successor? Had he resigned?

A. Because Mr. Cragin had left.

Q. And it appears by those minutes that a successor was elected at the meeting of April 23, 1909?

A. It does.

Q. When was the Weatherproof and Magnet Wire Association dissolved?

A. In the latter part of 1909.

Q. This minute book which you have been shown has no minutes of a meeting after March 18, 1909. Were there meetings after that?

A. I think there were.

Q. Is that your copy of the minutes?

A. I do not know whether it is or not.

Q. In this Rubber Covered Association who had the largest allotment of the different manufacturers?

A. I think we did.

Q. Who had the next largest?

A. I do not recall who had the next largest. I forget.

Q. Was it the Standard Underground Cable Company?

A. I do not recall its allotment.

Q. How many manufacturers were there whose production was larger than that of the American Steel & Wire Company, who were members of that association?

A. I should say five.

Q. Who had larger allotments than the Steel & Wire Company?

A. Yes, sir.

Q. You have testified, in your direct examination, that the prices which were declared by Mr. Jackson were controlled by the price of copper. It is a fact, is it not, that the prices adopted by the association were a fixed amount over the price of the copper ingots?

A. I believe they were.

Q. And that the movement of prices was determined by the movement of copper?

A. I believe it was.

Q. And did this association have any control over the movement or fluctations of the price of copper ingots?

A. No.

REDIRECT EXAMINATION,

By Mr. Dickinson:

Q. You say that the prices of the association were determined by the prices of copper and not by the members of the Association?

A. Yes.

Q. What did you have an association for, then? What did you have a pool for?

A. To get a differential.

Q. What was the differential?

A. The difference between bars and the price of copper wire.

Q. Do you mean to get a price on the differential?

Mr. Reed: Excuse me. He testified, or my question asked him to testify, whether the fluctuations were determined by the fluctuations in copper; not that the price was fixed by the price of copper.

By Mr. Dickinson:

Q. You did not mean to say, then, that prices were fixed?

A. What is that?

Q. What was the object of this association?

A. To get a fair price for copper wire.

Q. And it was to fix prices, was it not?

A. The association did not fix prices.

Q. Did you not sell at a given price as long as it lasted?

A. No, sir.

Q. Did you compete with each other on prices?

A. To some extent.

Q. To what extent?

A. I cannot say the measure of it.

Q. I will ask you whether or not the members of that association did not sell the same products during the same period at the same prices while the association lasted and so long as they complied with the rules of the association?

A. They did not.

Q. Do you mean to say that the members of that association competed with each other in the market on prices?

A. They made different prices.

Q. Constantly

A. I think so.

Q. What was the object of the association?

A. to maintain a fair level of prices.

Q. You did, then, maintain prices, did you, at a fair level?

A. We maintained a fair level of prices.

Q. That was the effect of the association, was it?

A. Yes.

Q. And that was the object of it?

A. Yes.

Q. That is all.

MR. REED: That is all.

MR. DICKINSON: Please, your Honor, we will adjourn now, by agreement of counsel, until Monday morning at a quarter after ten o'clock.

(Whereupon, at 12:35 o'clock p. m., the hearing was adjourned until Monday, May 13, 1912, at 10:15 o'clock a. m.)

SIXTH DAY.

ROOM 210, CUSTOM HOUSE,
NEW YORK, N. Y.,

Monday, May 13, 1912.

The hearing was resumed at 10:15 o'clock a. m. before Special Examiner John Arthur Brown.

Appearances the same as heretofore noted. Additional appearance: Barton Corneau, Esq., Special Assistant to the Attorney General, on behalf of the United States.

DANIEL G. REID,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By MR. DICKINSON:

Q. Mr. Reid, where do you reside?

A. In New York.

Q. What is your age, Mr. Reid?

A. Fifty-three.

Q. How long have you lived in New York?

A. Twelve years.

Q. In what business are you engaged now?

A. I am chairman of the Board of the Chicago, Rock Island & Pacific Railway Company.

Q. Mr. Reid, are you a stockholder in the United States Steel Corporation?

A. Yes.

Q. Do you own preferred or common stock, or both?

A. Both.

Q. How much do you own of preferred?

MR. SEVERANCE: I object to that. I do not think, Judge Dickinson, that you care to know how much stock Mr. Reid has. He states frankly that he is a stockholder, both of common and preferred. We object to dragging his private business into this controversy. You have established sufficient to show that he is an interested witness, if that is the purpose of the testimony.

MR. DICKINSON: I want to show the extent of his interest as a witness.

MR. SEVERANCE: I advise Mr. Reid that he is not obliged to answer that question unless he so desires.

MR. LINDABURY: Would it not answer your purpose, Judge, to ask whether he is a large or a small stockholder?

MR. DICKINSON: Large and small are relative terms. I ask the stenographer to repeat the question.

(The stenographer repeated the pending question as follows):

"Q. How much do you own of preferred?"

THE WITNESS: I decline to answer.

By MR. DICKINSON:

Q. How much do you own of common stock?

A. I decline to answer.

Q. Have you or not been a stockholder of the United States Steel Corporation ever since its formation?

A. I have been; yes, sir.

Q. At all times?

A. At all times.

Q. Did you have stock in the American Tin Plate Company?

A. I did.

Q. Preferred or common?

A. Both.

Q. Did you or not receive stock in the United States Steel Corporation for your preferred or common stock in the American Tin Plate Company?

A. I did.

Q. Do you recall on what basis you made that exchange?

A. I do not, Mr. Dickinson. That is a long time ago.

Q. To refresh your memory, I will ask you, Mr. Reid, whether or not for your preferred stock you received one hundred and twenty-five in preferred stock of the United States Steel Corporation?

A. Probably that is right.

Q. To the best of your recollection that is right?

A. To the best of my recollection I should say that is right.

Q. And for your common stock, I ask you whether or not you received twenty in preferred and a hundred and twenty-five in common?

A. Something like that. Probably that is right.

Q. You received what the others did?

A. Certainly; yes.

Q. And if the others received that, generally, that was what you got?

A. Yes.

Q. Were you ever connected with the American Tin Plate Company of Ellwood, Indiana?

A. I was.

Q. Were you a stockholder in that company?

A. I was.

Q. Were you an officer of that company?

A. I was treasurer of the company.

Q. That company was merged, was it not, in the American Tin Plate Company?

A. It was.

Q. The American Tin Plate Company was organized, I believe, Mr. Reid, in December, 1898?

A. I think that is right.

Q. Who was its first president?

A. I was.

Q. How long did you continue with that company?

A. Until the time they sold out to the Steel Corporation.

Q. Were you president during that whole period?

A. I was.

Q. You were a stockholder during that whole period?

A. I was.

Q. Mr. Reid, state the various kinds of tin plate—the names by which they are known.

A. It would be impossible for me to do that.

Q. I do not mean the various brands, but I mean the general, broad classification.

A. Coke plate, terne-plate, charcoal plate, Taggers tin, and so on.

Q. Black plate is one?

A. Black plate is not tin plate.

Q. But it is plate which is tinned?

A. Yes. We roll the black sheet first, and then afterwards tin it.

Q. Is it the basis of the tin plate?

A. Yes.

Q. It is the basis also of terne-plate?

A. Yes, sir.

Q. What is the difference in process in producing tin plate and terne-plate from the black plate?

A. Terne-plate is a roughing plate, and the coating on that is partly made up of lead and partly of tin; while the charcoal or coke plate is all coated with tin, without the mixture.

Q. Mr. Reid, state whether or not you are acquainted, generally, with the companies that became absorbed or combined in the American Tin Plate Company when it was formed in December, 1898?

A. Generally speaking, I knew a great many of the plants and men connected with them.

Q. And their location?

A. Generally speaking, yes. I do not think I could name the locations of all of them.

Q. And, generally speaking, you were familiar with the class of products they produced?

A. As to the general manufacturers of tin plate.

Q. I say, you are generally acquainted with the character of products produced by those several concerns that went into the American Tin Plate Company?

A. In a general way, yes.

Q. The Aetna Standard Iron & Steel Company was situated at Bridgeport, Ohio, was it not?

A. At Bridgeport, Ohio.

Q. What did that company produce?

A. They made tin plate, back plate and also had a steel plant.

Q. Where did that company generally market its tin plate and black plate?

A. I should say in the nearby neighborhood; the closest market to their particular plant, as far as possible.

Q. How far away was that market?

A. I imagine Pittsburg or in that vicinity, which is a short distance away, or Wheeling, which is nearby, or the Southern market, through Georgia, which would be nearer their territory than to some of the Northern or Western mills.

Q. Part of it was outside of the State of Ohio? Part of the product of that company was marketed by that company outside of the State of Ohio?

A. Yes; they had the Southern market and the nearby markets.

Q. The products of that company were sold and shipped by that company in interstate commerce?

A. Yes.

Q. State whether or not at the time of the formation of the American Tin Plate Company, the Aetna Standard Company was in competition in the sale of its products in interstate commerce with the American Tin Plate Company of Indiana?

A. Very little, if any.

Q. What did the American Tin Plate Company of Indiana produce?

A. Practically the same line of goods, except in larger quantities.

Q. Where were they sold?

A. Some East, but mostly Chicago and the West.

Q. They did compete, did they?

A. I suppose they did.

Q. Were they not soliciting the same class of business?

A. Probably they were; yes.

Q. And they were situated in adjoining States, were they not?

A. In adjoining States, yes.

Q. Take those two companies I have just mentioned. I will ask you as to the competition between them and the Atlanta Steel & Tin Plate Company of Atlanta, Indiana.

A. There was practically none.

Q. What did the Atlanta Steel & Tin Plate Company produce?

A. The same line of plates, in a very much smaller way. They probably sold their goods to some jobbers who advanced the money for payroll and so on.

Q. Do you know what jobber?

A. Oh, no; I do not.

Q. Did they sell their goods in the trade generally?

A. I do not know a thing about that; but I assume they did.

Q. When you speak of the competition not being great, you base that upon the fact that it was a comparatively small concern, do you not?

A. Yes; and a poorly equipped concern.

Q. Poorly equipped?

A. Yes.

Q. However, it was making tin plate and selling it in interstate commerce?

A. Yes.

Q. And to the extent of their ability they were seeking the trade?

A. Yes; that is right.

Q. And in competition with these other companies, were they not?

A. Right.

Q. Take the Baltimore Tin Plate Company, of Baltimore, Maryland. What was that company making?

A. I suppose the Baltimore plant was making the coke plates and so forth for the Baltimore trade.

Q. Do you know whether they sold outside of the State of Maryland?

A. No, sir.

Q. You are not acquainted with that?

A. No.

Q. Take the Beaver Tin Plate Company, of Lisbon, Ohio. What were they making?

A. The same line.

Q. Was that a large or a small plant?

A. A small plant.

Q. Were they selling in interstate commerce?

A. Yes, sir; I imagine so.

Q. So far as you know, they were selling in interstate commerce?

A. Yes.

Q. After you became president you knew what their trade had been, did you not, in a general way?

A. To whom they had been selling?

Q. In a general way where their trade had been?

A. Oh, yes.

Q. Had they or not been competitors in interstate commerce with those other companies?

A. To an extent, I imagine so. They were in the market to sell goods wherever they could.

Q. And in competition with these other companies outside the State of Ohio?

A. Yes.

Q. Without going into detail, and taking up time and specifying all of these companies, as I have been doing, I will ask you to look over this list that appears on page 11 of the petition in this cause. Please run over the list and get them in your mind.

A. (After looking over the list) Yes.

Q. Have you examined the list?

A. Yes.

Q. State whether or not those concerns set out there were all making tin plate?

A. They were.

Q. And they were all selling it in interstate commerce outside the states in which they were located?

A. I imagine they were.

Q. As far as you know, they were?

A. As far as I know, they were, yes.

Q. And were engaged in competition with each other?

A. Yes.

Q. Please state what part, if any, you had in organizing the American Tin Plate Company.

A. We sold them our plant at Ellwood, Indiana, and we also had one at Montpelier, Indiana. We sold both plants to the buyer. Outside of that I had no interest, except I was on the underwriter's paper for an amount.

Q. Did you know of the plan being made to organize these companies under one combination?

A. Did I plan it?

Q. I say, did you know of that plan?

A. Yes.

Q. Were you or not in consultation with parties from

time to time as the plan proceeded towards consummation?

A. I was in consultation with various makers of tin plate at various times, yes; but up to the time of the organization there had been very little said about it. It came like that. (Witness snapping his fingers.)

Q. There was something said, was there not, among various people?

A. About the time, naturally, yes.

Q. About the time?

A. Yes.

Q. Was there or not any consultation between you and others as to whether it would be a desirable thing to bring about an organization of this character?

A. Yes, sir.

Q. Please state with whom you had these consultations

A. The principal conversation I had in connection with the whole thing was with Judge Moore. About that time he had effected the formation of the National Biscuit Company, and I had him in mind as being a good man to take up a deal such as the tin plate, and I discussed it with him, told him about some advantages and some disadvantages, and after some discussion—I do not remember whether it was one week or two weeks, or one month or two months back and forth—he started some one out to take options on these plants, to see what could be done with the trade.

Q. He had made a reputation as an organizer?

A. Yes.

Q. And that brought him to your mind?

A. Right.

Q. And then you and he consulted about bringing about this organization.

A. Yes.

Q. Did you consult about the companies that ought to be brought into it?

A. Not at all.

Q. Did you know what companies ought to be brought into it?

A. We started out with the idea of a company to take in some of the larger and better plants; what might be called a greater tin plate company.

Q. You not only took in the larger and better plants, but——

A. (Interposing.) Later on, yes; but the original purpose was to go ahead with a few of them.

Q. But when it was consummated by this organization you embraced nearly all of them, did you not?

A. About 90 per cent., I should say.

Q. What other persons conferred with you and Judge Moore about them?

A. Various makers of tin plate. I do not think I ever conferred with any of them in the presence of Judge Moore. Perhaps I introduced some of them to Judge Moore. The other meetings were in Pittsburg; my introductions were in Chicago.

Q. Were these people you refer to the owners or officers of some of these companies that afterwards went in?

A. Representing the companies, either as officers or owners.

Q. Officers or owners of various companies whose names you have just looked at?

A. Right.

Q. Before the organization of the American Tin Plate Company state whether there had been any associations or pools among the makers of tin plate?

A. Not to my knowledge.

Q. If there were any, you have no knowledge of that?

A. I have no knowledge of that.

Q. You attended no meetings of that character?

A. No, sir.

Q. You entered into no combination or agreement to fix prices?

A. No agreement was ever made, to my knowledge.

Q. You spoke of a Pittsburg meeting. What meeting was that?

A. A Pittsburg meeting?

Q. Yes.

A. Oh, we met once a year for two weeks at a time in Pittsburg.

Q. I did not mean that. You said you introduced certain parties in Chicago, and that there were subsequent meetings.

A. I said that I had met Judge Moore in Chicago, and that later on I had introduced Judge Moore to some of the Pittsburg people who were in Chicago. I think at one time I went down to Pittsburg with him and introduced him to some man down there.

Q. Was that in Pittsburg?

A. That was in Pittsburg, I think.

Q. You are stating all this to the best of your recollection?

A. That is my recollection; yes, sir.

Q. Were those people owners or representatives of some of these various companies which finally went into the combination?

A. They were owners, officers, managers, and so on.

Q. You have spoken of one of the meetings at Pittsburg. What were those meetings?

A. They were meetings of all the tin plate makers of Pittsburg. As a rule they convened about June 15, for the purpose of taking up the scale with the iron and steel workers for the following year. They usually ran about two weeks.

Q. When were the meetings? When did they begin?

A. About June 15.

Q. I mean, in what year did they begin.

A. Always. Dating back as far as the iron and steel trade has been in existence. It was a congress with labor to fix the scale for the following year.

Q. Did you say that there had or had not been, prior to the formation of the Tin Plate Company, an association of Tin plate people?

A. Not to my knowledge.

Q. What concerns in the United States making tin plate were in that business in December, 1898, who did not go into this organization? I do not mean those who were dipping, but I mean those making tin plate.

A. I cannot tell you, Mr. Dickinson. There were a number. I do not remember all the men now. There was one at St. Louis.

MR. SEVERANCE: You have had a list made up.

THE WITNESS: Is that list ready?

MR. SEVERANCE: That list is ready. We have had a list made up.

By MR. DICKINSON:

Q. You say there was one at St. Louis?

A. There were a number of plants, but I do not remember where they were.

MR. SEVERANCE: We have had a list prepared.

MR. DICKINSON: You can use that when you come to examine the witness.

By MR. DICKINSON:

Q. Is not that the St. Louis Stamping Company?

A. That is the St. Louis Stamping Company

Q. That was the Granite Iron Mill in St. Louis.

A. Of Granite City.

Q. The St. Louis mills?

A. And Lalance & Grosjean over at Harrisburg.

Q. I will ask you Mr. Reid, if both of those companies did not use in their own business all the black plate they made?

A. I do not know as to that, sir.

Q. Do you know the extent to which the St. Louis Stamping Company made black plate?

A. I do not. I understood that they had ten mills. That would be as far as my knowledge would go.

Q. How many mills had the Lalance & Grosjean Manufacturing Company?

A. I understood they had six mills. I never saw their plant except from the train as I was passing by.

Q. That would be sixteen mills, would it not?

A. Yes, sir.

Q. Can you name any other companies?

A. There were several others, but I do not remember the names offhand.

MR. LINDABURY: I understand that the witness himself has had a list made up.

MR. DICKINSON: Do you say that Mr. Reid has had one made up?

MR. LINDABURY: Yes.

MR. DICKINSON: I never asked him to have one made up.

MR. SEVERANCE: Suppose you did not ask him that. You would not object to his having anticipated your questions?

MR. DICKINSON: I am trying to see what he remembers. On cross-examination it will be proper for you to use that list if you want to.

By MR. DICKINSON:

Q. Then the Lalance & Grosjean Manufacturing Company and the St. Louis Stamping Company are the only two that you now recall to memory as having been left out by that organization, and they, together, as you now recall, had about sixteen mills?

A. There was one at Muskegon, Michigan, and one at another place, taken in later.

Q. Taken in later by whom?

A. And one over at Middletown, Ohio.

Q. Was that taken in later?

A. No. There were several plants around Pittsburg; little fellows. I do not remember their names. They were mostly four-mill plants.

Q. How many mills were owned by those which were taken into the Corporation?

A. I should say something around 200.

Q. I will ask you whether or not they had 39 plants operating 300 mills?

A. I think that the number of plants is practically right, although I am not certain as to that.

Q. You say that 39 represents the number of plants as far as you can recollect?

A. Practically speaking, I should say about 39.

Q. You testified, did you not, before the Industrial Commission?

A. I did.

Q. I will ask you to try to refresh your memory and see if you cannot recall that you then stated that your company had 39 plants and operated 300 mills.

A. That might or might not have been right at the time.

I do not remember. That is 13 years ago, and I do not remember what I did say.

Q. Mr. Reid, will you explain what was paid for the various mills and concerns that were taken in by this organization? What was the basis upon which they were acquired?

A. I do not remember anything about that. That was out of my sphere. All that I would know would be something about our own mill, and I could not give you the figures as to that, now, because I have forgotten them.

Q. Did you say that you do not remember or that you did not know in regard to them?

A. I probably knew at the time, but I do not remember now. I may have known and I may not have known, but, roughly, I should say that I did.

Q. Were any options taken on them?

A. Were options taken on the mills?

Q. Yes.

A. As I understand, options were taken on all of the mills. We gave one on our mill. I remember that very well.

Q. What did those options provide for in the way of payments?

A. Cash.

Q. I understand you to say the price was fixed on a cash basis?

A. The option price was payable in cash.

Q. As a matter of fact, were they not all paid for in stock?

A. I do not know what arrangement was made by the syndicate manager, so called, as to the payment to the mills in stock. I do not think it was done that way. I imagine if I got any stock in the American Tin Plate Company after it was formed, I got it through my underwriting, and that we got cash for our mill.

Q. Do you mean to say that cash was paid for your mill to your company?

A. I do not mean to say anything of the sort, but the cash was there with the checks, and they were ready to pay cash to everybody who wanted it. I do not remember how ours was treated, to tell you frankly now.

Q. As a matter of fact, was not the price fixed on a cash

basis, but the real transaction was a stock transaction, was it not?

A. Oh, no. It was understood it was to be cash. There was a great discussion by the various owners. They would not have stock. They insisted on cash. And it was a cash basis, straight away. It was a straightaway cash basis. Later on, after the amount had been underwritten by the various underwriters, and so forth, before the companies were taken over into the new company, and so forth, that stock had gone to a premium. Then there was a great rush and fight on the part of the sellers of these mills to get stock instead of cash. What arrangement was made by the syndicate managers, I do not know.

Q. Do you mean to say that at any period of that transaction cash was paid to the owners of these companies for their plants?

A. I do not say anything of the sort. I do not know how that was treated. But I say that any man who wanted cash could have gotten cash. I could have had cash.

Q. Do you know anybody that did get cash?

A. I do not. I did not follow the thing all the way through. I had nothing to do with that end of the matter at all.

Q. So far as you know, did they not get stock?

MR. SEVERANCE: He says he does not know.

Q. (Continuing.) I ask you if they did not get two for one on the cash valuation, one dollar in preferred and one dollar in common stock.

A. The underwriters got a dollar in preferred and a dollar in common for each dollar, but as to the arrangement made by the various mill owners as to what stock they got, I do not know. I got two for one on my underwriting money. I know that.

Q. I will ask you whether or not you stated in your examination before the Industrial Commission that presumably there were cases where the stock represented four times the cash value of the plant under ordinary conditions?

A. I do not remember what I said there, sir.

Q. You do not remember whether you said that or not?

A. No, sir. That was thirteen years ago, I have not seen the testimony since and I have forgotten about it.

Q. You spoke of Syndicate managers. Who composed the syndicate managers?

A. Mr. Moore and his brother were syndicate managers, as I remember it.

Q. Who were the members of the syndicate?

A. I do not know, sir.

Q. Did you have a syndicate agreement?

A. Absolutely nothing except an underwriter's agreement.

Q. Nothing except an underwriter's agreement?

A. That is, for instance, setting forth at the head of the paper what the money was to go for, and how much the amount, and the name.

Q. Was that in writing?

A. What do you mean?

Q. This agreement?

A. Just "I subscribe to capital stock" of such and such a company.

Q. Was it in writing or verbal?

A. It was on a piece of paper with the amount put down and the name signed to it.

Q. How many parties signed that?

A. Oh, I do not know.

Q. Can you not give the names of any of them?

A. I never saw it except when I put my name down. I think my name was the first name.

Q. And you do not know who followed your name?

A. I do not know; I never saw it except when I signed it.

Q. You went into an underwriting agreement and did not know who else went into it?

A. I did, sir; I knew some very good people were going in.

Q. But you did not know who went in?

A. I did not.

Q. So far as you know your name was the only name signed to it?

A. So far as I saw, my name was the only name signed to it. I heard rumors of who went into it afterwards.

Q. I am speaking of your own knowledge. So far as your knowledge goes your name is the only name there?

A. Yes. I heard that Marshall Field and a great many

others were on the underwriting, but I do not know who they were. That was only rumor.

Q. Taking the cash values of these companies, how much did that amount to?

A. You are asking now of the mills proper or the mills and inventories?

Q. I mean the price that was agreed upon in cash for the aggregate of those mills.

A. Do you mean the mills or the stock on hand? The mills and stock or the mills stripped?

Q. I mean all they were getting from these companies. For instance, you take—what was your company?

A. The American Tin Plate Company of Ellwood.

Q. What was the cash value put upon the plant of the American Tin Plate Company of Ellwood?

A. I do not remember, Mr. Dickinson, right now, offhand. I should say we had a very big plant there; we had an exceptional plant. But the exact figure I do not know.

Q. I will ask you, Mr. Reid, if $18,000,000 was not the aggregate of the cash valuation agreed upon for all of those properties?

A. That was the preferred capital stock of the company.

Q. Was not the preferred capital stock exactly equal to the amount of the cash valuations that had been put on these companies under the options?

A. I do not remember that now. That might have covered part of the inventory, the black plates, finished and unfinished plates, acids and so forth, on hand, bars, supplies and all that. It might have included them as well as the plants. I do not remember.

Q. At any rate did it or not include the aggregate of all that was gotten from these combined companies, the cash valuation of them?

MR. SEVERANCE: He says he does not know.

MR. DICKINSON: He says now he does.

A. I said eighteen millions was the preferred stock of the company. Now, how that was rounded out and paid in by the underwriters to the syndicate managers, I do not remember. Possibly that is right, but I do not know. I could not tell you.

By Mr. Dickinson:

Q. Did not that $18,000,000 represent the exact amount of the cash valuation put on all the properties of these companies?

A. That might have been the exact amount.

Q. What is your understanding?

A. And it might not have been.

Q. What is your understanding?

A. There might have been a lot of accounts settled before that, or various bills running with the accounts current. I do not remember as to that.

Q. Suppose all of these mills had been paid for in cash at the valuations made, what would it have amounted to?

A. Oh, I do not know.

Q. Would it have amounted to $18,000,000?

A. I do not know what the option price was, Mr. Dickinson. You ask me something I do not know anything about.

Q. You say you suggested to Judge Moore to get it up. Did you not say that?

A. I said I requested Judge Moore to look into the matter and see if he cared to take hold of it.

Q. And he did take hold of it?

A. He did.

Q. And you introduced him to people in Chicago?

A. I introduced him to people in Pittsburg.

Q. And Chicago also, did you not?

A. I did not. There were no tin plate makers in Chicago except one, and he knew him.

Q. I misunderstood you. I thought you said you introduced him to people in both places?

A. No sir.

Q. Then he got it up and you became one of the underwriters?

A. Yes sir; I was an underwriter.

Q. And now you say you do not know what you were underwriting?

Mr. Severance: He has not said that.

A. I was underwriting a tin plate proposition in which I was to get so much stock. In other words, if I underwrote

one million I got one million dollars common and one million dollars preferred stock. Everyone got the same.

By Mr. Dickinson:

Q. So everyone got a dollar in common and a dollar in preferred for every dollar they underwrote, did they?

A. Absolutely.

Q. Mr. Reid, did not eighteen million dollars each of common and preferred stock go to the purchase of the companies?

A. Money representing that much stock went to the purchase of the companies.

Q. You do not mean to say that $36,000,000 of money in cash——

A. The underwriters received, as I stated before, using figures for illustration only— Say the underwriting was $100,000, the underwriter put his check down for $100,000. I did, and I got back $100,000 preferred and $100,000 in common stock, the common stock being considered the good will of the business, for my $100,000 cash.

Q. What did those people get who took stock?

A. That is what I am telling you.

Q. No; I mean people who were not underwriters, but people who sold their stock in these companies. Did they not get a dollar of common and a dollar of preferred stock for each share of stock, based upon a valuation of $18,000,000 for the whole?

A. If they arranged with the syndicate managers, after giving an option for cash on the property, to receive stock in lieu of cash, or turn over checks in lieu of stock, I do not know as to that. They probably got the same as I did for my underwriting, if they did that.

Q. Did you not testify before the Industrial Commission that your understanding was that $18,000,000 each of common and preferred stock was used to purchase the companies?

A. Probably I did; I do not remember.

Q. You do not remember now whether you testified to that or not?

A. No; but there was 18——

Q. If that was so——

MR. SEVERANCE: I protest. Let the witness finish his answer.

MR. DICKINSON: I thought he did.

MR. SEVERANCE: No; he said there was 18, and then you interrupted him.

A. I was going to say $18,000,000 preferred and $18,000,000 common, if those are the right figures, through the underwriters, to be paid in cash, and if the mill men arranged to take any stock in lieu of cash, about which I do not know, then that is the amount.

By MR. DICKINSON:

Q. That would be $36,000,000, would it not?

A. Yes.

Q. What was issued altogether?

A. I do not remember. I think——

Q. Was it not $46,000,000?

A. Well, let me see, now. It may have been. It was something like that. It may have been $45,000,000 or $46,000,000. I do not know.

Q. Your recollection is $45,000,000 or $46,000,000?

A. Yes. There was more common than preferred.

Q. What became of the other $9,000,000 or $10,000,000, as to whether it was $45,000,000 or $46,000,000?

A. I imagine the syndicate managers got some common stock out of the property. That was their end of the transaction.

Q. That is to say, that the underwriters got $10,000,000 of common stock?

A. Not the underwriters; I was one of the underwriters.

Q. Well, the syndicate managers.

A. I do not know what they did with that stock, whether they got that much or not.

Q. Did you have anything to do with that?

A. No sir.

Q. You were not a party to it?

A. No sir; I was not in the syndicate.

Q. You were not one of the syndicate at all?

A. I was not one of the syndicate managers.

Q. But were you one of the syndicate?

A. What do you mean by one of the syndicate?

Q. Were you a member of any syndicate?

A. I was a member of the syndicate so far as the underwriting went.

Q. Did you get any part of that $10,000,000 common?

A. Yes, sir; I did.

Q. And who else got it?

A. I do not know who got it.

Q. You cannot name anybody but yourself that got part of it?

A. I can name—I could not right offhand. I got some of it. It was distributed pro rata among every stockholder in my company, I know.

Q. Among every stockholder in your old company?

A. They got their percentage according to their stock holdings, and I got my percentage. I do not remember what I got now.

Q. You mean out of the $10,000,000?

A. Whatever I got from the syndicate managers in any way was——

Q. Mr. Reid——

MR. SEVERANCE: Judge Dickinson, let him answer. Do not interrupt him, please.

MR. DICKINSON: Very well.

A. I say, whatever sum I got out of that, the amount of which I do not now remember—you asked me if I got that myself, if I understand the question.

By MR. DICKINSON:

Q. Yes.

A. I say I distributed that pro rata in my company among the stockholders.

Q. That is the Elwood Company?

A. That is the Elwood Company, which owned the Elwood and Montpelier plants.

Q. That is the amount that came to you personally?

A. Yes.

Q. Who besides yourself participated in the $10,000,000?

A. I do not know anything about it.

Q. But you got some of it, did you not?

A. I got some of it.

Q. You do not know who got the balance?

A. I do not.

Q. Who fixed the amount you were going to get?

A. I probably made a bargain with the syndicate managers.

Q. Who were they then?

A. Probably W. H. and J. H. Moore, as I remember it. It may have been only Judge Moore, but known as Moore Brothers at the time.

Q. Did you make a bargain as to just what portion you were going to get?

A. I imagine I did; I do not remember.

Q. Do you know what anybody else was to get?

A. I do not; I had nothing to do with that.

Q. How much did you get of it?

A. I do not remember; I got some.

Q. Now, all you got of that you exchanged, did you not, for stock in the United States Steel Corporation?

A. My holding in the American Tin Plate Company?

Q. Yes; the Tin Plate Company?

A. Yes; I exchanged it for steel stock.

Q. And I believe you have explained the basis on which you made the exchange?

A. Yes; I think the figures you have there are right.

Q. Did you have anything to do with the organization of the National Steel Company?

A. Only as an underwriter, Mr. Dickinson.

Q. As an underwriter?

A. As an underwriter.

Q. Were you interested as a stockholder in any of the companies that went into the National Steel Company?

A. Yes; I had a small interest in the plant over in Ohio known as the King, Gilbert & Warner Plant of Columbus, Ohio. We had a small interest in that plant.

Q. You say we. Who do you mean by we?

A. Former stockholders of the American Tin Plate Company.

Q. Any other plant that went into the National Steel Company?

A. No sir.

Q. You had no interest in any other?

A. No sir.

Q. Did you know beforehand of the formation of the National Steel Company?

A. Did I know it was going to be formed?

Q. Yes.

A. I had heard about it, yes sir.

Q. Did you have any conference about it with anyone?

A. Only in a general way. It was talked about. It was a matter of interest to the trade. We were quite anxious to tie up with some steel plant to have a supply of bars for our tin plate works, etc., and naturally heard more or less talk about it, and we talked more or less about it.

Q. Who was active in making that up?

A. Mr. Moore.

Q. Which Mr. Moore?

A. Mr. W. H. Moore.

Q. He was the same gentleman who was active in bringing about the organization of the Tin Plate Company?

A. Yes, sir.

Q. What proportion of the steel used by the American Tin Plate Company was purchased from the National Steel Company?

A. You are talking now of the time after the formation of the Company?

Q. Oh, yes.

A. Why, the National Steel Company furnished a great many bars to the American Tin Plate Company, as I remember it, and we had a large contract also with the Carnegie Steel Company. That is, the American Tin Plate Company had a large contract with the Carnegie Steel Company, extending over a series of years on a sliding basis, based upon the price of bars or billets, I have forgotten which.

Q. The American Tin Plate Company purchased part of its raw material from the National Steel Company, and part from the Carnegie Steel Company?

A. Yes, sir.

Q. Did it purchase any from the Federal Steel Company?

A. I do not remember as to that; probably they did—the Joliet plant.

Q. Probably they did?

A. From the Joliet plant for a short time. That plant was dismantled.

Q. When was it dismantled?

A. I do not remember as to that, Mr. Dickinson.

Q. About what year?

A. It may have been one year, maybe two or three years; some time later.

Q. Later than when, do you mean? After the formation of the American Tin Plate Company?

A. After the formation of the American Tin Plate Company in 1898.

Q. Now I asked you what proportion of your raw material you purchased from the National Steel Company, and you have not answered that question. You say you got some from the Carnegie Steel Company, but you have not answered me as to what proportion you got from the National Steel Company.

A. It is some time since I saw that contract. I might be altogether wrong in that statement. I imagine the Tin Plate Company used in their own business 500,000 tons of steel bars per annum; that would be roughly. I would also say—this, understand, is my recollection, but I might be wrong a few tons—that of that they had a contract with the Carnegie Steel Company for 125,000 tons per annum.

Q. Then you bought some from the Federal Steel Company, you say?

A. I do not remember; it might have been a small amount, if any.

Q. Where did you buy the balance?

A. Got it from the National Steel Company after the National Steel Company was organized.

Q. You mean to say that after the National Steel Company was organized you got practically all of the five hundred thousand except one hundred and twenty-five thousand?

A. If they had the capacity to furnish them, and, as I remember, they had the capacity. That was one of the objects in organizing the National Steel Company—to protect the Tin Plate Company in bars.

Q. The same parties were interested in the organization of both?

A. Yes.

Q. And in the management and control of both?

A. Yes, sir.

Q. Did you not testify before the Industrial Commission that you did not at that time buy over one-half of your raw material from the National Steel Company?

A. I do not remember as to that.

Q. Your memory was nearer the event then than it is now.

A. I understand; but we were never in the business, and possibly we have more figures at hand to-day and know better what the tonnage might have been in various lines.

Q. You do not remember whether you testified that or not?

A. I do not. I may have done so, and may not; I do not know.

Q. You spoke of the National Steel Company and the American Tin Plate Company being organized and controlled partly by common interests. How about the American Hoop Company?

A. The American Hoop Company I know nothing about.

Q. How about the American Sheet Steel Company?

A. I know nothing about it except I think I was an underwriter there. I am not certain.

Q. Were you an underwriter in the National Steel Company?

A. I was, yes, sir.

Q. Mr. Reid, state whether or not there was a rise in prices of tin plate almost immediately after the formation of this company.

(The witness referred to a memorandum book).

Q. What are you reading from?

A. These are tin plate prices over a period of years, a little book published by Phelps, Dodge & Company.

Q. How did you come to bring that book here?

A. I went there and asked them to give me one.

Q. Did you know what I was going to ask you about?

A. No, but I am pretty rusty on tin plate and I thought I would refresh my memory.

Q. I never indicated to you the line of your examination, did I?

A. No, but I noticed the other day you were asking somebody about prices.

Q. What book is that you are reading from?

A. The Metal Statistics for 1912. This is compliments of Phelps, Dodge & Company. They are metal people.

Q. What is the character of that book?

A. It will give you almost anything you like on iron and steel, up to date.

Q. Is it regarded as a reliable authority?

A. Yes, it is one of the most reliable firms in the world.

Q. And is that accepted generally?

A. Yes, sir; it is accepted generally. Everybody in the world looks up to that firm when it comes to figures in the iron and steel trade.

Q. And transactions are made by their figures?

A. Absolutely.

MR. DICKINSON: I intended to introduce it myself, and therefore I am asking you these questions with the view of establishing the authority of this book you have.

By MR. DICKINSON:

Q. Please give the prices of full weight plate in 1898, before the formation of the American Tin Plate Company.

A. You say full weight. You mean 108 pound coke plate?

Q. Yes.

A. Would you like a few prices running along, or just one or two years?

Q. I will ask you whether or not they had gone down to 2.60 at the time the company was organized.

A. The price given here is for 1894——

Q. No, I am not asking you to go back that far.

A. 1898 was the lowest year in the book—2.99.

Q. Did they not go as low as 2.60?

A. Not according to this book. I think you are talking about 100-pound plates.

Q. How about 100-pound plates?

A. I do not remember that.

Q. Does not that book show?

A. No; these are full weight plates. 1898 was the low year.

Q. What were the full weight plates the year before?

A. 3.26. The year before that the price was 3.63.

MR. SEVERANCE: What was the price in 1898?

THE WITNESS: 1897 the price was 3.26.

By MR. DICKINSON:

Q. Is that the lowest figure there?

A. Yes, sir.

Q. In the year 1897 what was the lowest figure at any time in that year?

MR. LINDABURY: Does the book give the lowest for the year, or simply the average?

THE WITNESS: This book simply gives the average. I have a memorandum here, however, giving the highest and lowest for a year.

By MR. SEVERANCE:

Q. These figures that you have been giving from Phelps, Dodge & Company's book are the average prices for the years 1898 and 1897, are they not?

A. Yes, sir.

Q. And not the lowest nor the highest?

A. Not the low nor the high, no.

Q. The table from which you have been reading simply gives the average?

A. The average for the year.

By MR. DICKINSON:

Q. Does this book show prices of anything except the average price?

A. I think that is all.

Q. It does not show monthly prices?

A. I do not think so. I glanced at it. He turned the page down for me. I told him what I wanted. I did not look at it carefully, did not look it through, but I think that is about all you will find there is there on tin plate.

Q. I will ask you on these average prices. What did you say was the average price for the year 1897?

A. The average price as given here was 3.26.

Q. That is per box?

A. Per box.

Q. Per 100 pounds?

A. Per 108 pounds.

Q. What was the average price for 1898?

A. 2.99.

Q. What was the average price for 1899?

A. 4.41.

Q. What was the average price for 1900?

A. 4.82.

Q. What was the average price for 1901?

A. 4.35.

Q. Is that what you call full weight plates?

A. Yes, full weight.

Q. I will ask you whether or not, in 1899, the price rose as high as 4.65 in October? I am not speaking of the average now, but whether the price rose as high as 4.65 in October, 1899. I do not suppose the book shows it, but from your knowledge, can you answer that?

A. I understand I am asked as to the price in October, 1899. I have not the October price here. All I have here is the high and low for the year.

Q. State what was the highest price for the year 1899?

A. 4.85.

Q. What was the lowest for that year?

A. 3.10.

Q. State whether or not the American Tin Plate Company had contracts with machine, roll and housing makers, picked out as the best in the country, whereby you took their entire product of machinery?

A. I do not remember as to that. That was out of my department.

Q. You know of no contracts?

A. I do not remember any contract at the moment, sir.

Q. Did you or not have any arrangements or agreements with these manufacturers that they would not sell tin rolls to mills for the purpose of rolling plate so long as they did business with you?

MR. SEVERANCE: He says he does not know about a contract.

MR. DICKINSON: Let him answer.

A. I do not remember as to that at all. I was entirely away from the machinery department always.

By MR. DICKINSON:

Q. You say that you have no recollection?

A. I say I have no recollection. There might have been some machinery contract about which I do not remember. I do not remember everything.

Q. I am going to ask you particularly and see whether you do. Did your company, to your knowledge, ever enter into any contracts with makers of machines, rolls and housings whereby your company was to have their entire product of machinery?

A. They may or may not have. I do not remember, sir.

Q. Would a contract of that character be made without your knowledge?

A. Yes, sir.

Q. You say you never had any knowledge of anything of that sort?

A. I do not remember a contract of that sort. If there was any I do not remember it. If there should have been a contract of that kind I imagine it would have come under Mr. Warner Arms' department.

Q. Did you not make contracts with two-thirds of the manufacturers by which you took all of their output of machinery?

A. I do not remember, sir.

Q. Was it not a part of the plan of the American Tin Plate Company to enter into contracts with the makers of tin plate machinery by which your company absorbed from them their products, so as to keep your competitors from buying such machinery in this country?

A. I do not remember as to that. I say there may or may not have been contracts of that sort. I do not remember.

MR. SEVERANCE: I do not think you understood the question. Read the question.

(The stenographer read the question as follows:)

"Was it not a part of the plan of the American Tin Plate Company to enter into contracts with the makers of tin plate machinery by which your company absorbed from them their products, so as to keep your competitors from buying such machinery in this country?"

A. I do not remember anything at all as to any of those contracts.

By Mr. Dickinson:

Q. Is your mind a perfect blank on that whole question?

A. Yes, sir; it is. That is fifteen years ago, sir. I had nothing to do with the machinery whatever.

Q. Did you not testify before the Industrial Commission in answer to a question, as follows: (Reading): "Have you made any arrangements, any agreements, with founders and machinists that have been working for you?" and did you not answer: "We have six or seven men, and roll makers and housing makers, which we have picked out as the best makers in the country. We have a contract with them agreeing to take their entire product of rolls, housings, etc., made for tin-plate work. There are a number of others on the outside from whom housings, rolls, etc., can be procured?"

A. That, possibly, is right. I do not remember anything about it. I may have testified that way, and it may have been the fact.

Q. Was it or not the fact?

A. Sir?

Q. Do you know whether it was the fact; whether that was done?

A. I do not remember anything about the machinery contract; that was made thirteen years ago, and it has passed from my mind altogether, sir.

Q. If the American Tin Plate Company, of which you were President, made any agreements with makers of machinery, by which the total output of those makers should be bought by you, and they were not to sell to others, you now do not know anything about it?

A. I do not remember anything about it.

Q. Do you know whether or not such a thing was done by the American Tin Plate Company?

A. It may have been done, or it may not have been done. I do not remember, today, whether it was or was not. It was out of my department.

Q. Were you not asked this question by the Industrial Commission. (Reading):

"Q. You have an agreement of that kind, to take the full product of some 6 or 8 that you considered best", to which you answered, "Yes."

A. Possibly.

Q. You say possibly, what?

A. I may have said that; I do not remember what I said.

Q. You do not remember whether you said so or not?

A. If it is printed there I probably did, but I do not remember what I said there.

Q. You have no recollection as to the fact?

A. I have not.

Q. Whether that was true, or whether it was not true?

A. It was probably true, if I said it, at that time.

Q. What do you say as to it now?

A. I do not remember anything about it now.

Q. What is the best of your belief on that subject?

MR. SEVERANCE: How can he have any belief if he has not a recollection?

MR. DICKINSON: I am trying to find out whether he can remember anything or not.

A. Mr Dickinson, I do not remember anything about it. There have been a good many transactions in my mind since that one.

By MR. DICKINSON:

Q. I will ask you now, since I have read these extracts to you, whether or not your recollection is refreshed, and if you do not remember now whether these things were true as you have here stated them to be true?

A. I do not remember it.

Q. You have no recollection about it?

A. No.

MR. SEVERANCE: Will you read the next question and answer?

MR. DICKINSON: I will read the whole of it.

MR. SEVERANCE: I wish you would.

By MR. DICKINSON:

Q. The next one is (reading):

"Q. Could you give us an estimate of the number of manufacturers of a similar nature outside with whom you have no such agreement?

"A. I presume there are five or six outsiders."

What is your recollection about that?

A. I do not remember anything about it. There may have been twenty?

Q. The next question is: (reading):

"Q. So you possibly have this contract with half of the manufacturers?

"A. Fully half, yes; I should say two-thirds."

You do not know whether that is true now or not true?

A. I do not remember anything about it, Mr. Dickinson.

Q. How old did you say you are?

A. I am 53.

Q. 53?

A. Yes.

Q. What do you say your present business is?

A. I am connected with the Chicago, Rock Island & Pacific Railway Company.

Q. You are Chairman of its board?

A. Yes sir.

Q. And you do not remember a word about what you testified to before the Commission, at this time?

A. It was thirteen or fourteen years ago, and I do not remember. I do not remember what I said thirteen or fourteen years ago.

Q. You have forgotten everything you knew fourteen years ago?

MR. SEVERANCE: I submit that is hardly worthy of you.

MR. DICKINSON: I do not want any reflections on me.

MR. SEVERANCE: I am not making any, but I say your question is not proper.

MR. DICKINSON: It has got to stop right there, when it comes to a question of reflection on me. I am not going to permit it.

MR. SEVERANCE: You and I are not going to have any quarrel.

MR. DICKINSON: Do not say anything of that sort; because we will, if you do.

MR. SEVERANCE: Just a moment, if you will permit me.

MR. DICKINSON: Yes, sir.

MR. SEVERANCE: I think you will see when you reflect a moment that that is not the kind of question you want to ask Mr. Reid. He had not shown any disposition not to answer frankly as to anything he knows. He has told you repeatedly he does not remember this thing.

MR. DICKINSON: If I thought as you do I would not ask that question. Still I will not comment on the witness, but I will seek in my questions to put him in what I regard as the proper light.

MR. SEVERANCE: That is all right, but I think your question involved a comment on him. That is my objection.

By MR. DICKINSON:

Q. The next question is (reading):

"Q. But there are still left perhaps one-third of the manufacturers with whom you have no such contracts?

"A. Who are free lances, to do as they please."

You have no recollection about that?

A. No.

Q. The next question is (reading):

"Q. Have you any agreement with these manufacturers that if they manufacture mills for other parties they shall make no black plate for tinning for any limited period?

"A. There is an arrangement, agreement, or understanding that they will not sell tin rolls to mills for the purpose of rolling tin plate so long as they have a contract with and are doing business for us."

Have you any recollection about that?

A. No. I may or may not have said that. I do not remember.

Q. Have you no recollection as to the fact whether there were such agreements?

A. I have not; no sir.

Q. Now, Mr. Reid, if you had any such contracts, you say that they did not come within your special jurisdiction?

A. That is right.

Q. Please tell me, then, under whose jurisdiction they would have come?

A. I think Mr. Warner Arms had entire charge of all the machinery department. He made all the contracts and did all the business along that line, as I remember it now.

Q. Who is that?

A. Mr. Warner Arms, formerly of Niles, Ohio.

Q. Where is he now?

A. He is dead.

Q. Is there anybody who is not dead, that you know of, who would know anything about these contracts?

A. I imagine somebody connected with the American Tin Plate Company now would know about them. I do not know. The contracts which were made are possibly in the office of the American Tin Plate Company to-day. I never saw them.

Q. You never saw them?

A. No, sir.

Q. Do you know of any other person at that time connected with the American Tin Plate Company who would be in a position to know about those contracts?

A. There are, possibly, a half dozen people who might know.

Q. Will you name them, please?

A. I should imagine Mr. W. B. Leeds might know, and Mr. Graham, who is now living, might know.

Q. Who is Mr. Graham?

A. He lives in New York.

Q. What are his initials?

A. His initials, I think, are W. T.

MR. LINDABURY: He lives at the Plaza Hotel.

By Mr. Dickinson:

Q. What is his position?

A. He is one of the vice-presidents of the company.

Q. Where is he now?

A. At the Plaza Hotel, New York City.

Q. Are there any other persons whom you can name?

A. There are a number of people.

Q. I would like to find out from you who they are.

A. These gentlemen whom I have named were particularly connected, so to speak, with that department. There was another young man who was also connected with it, a brother of Mr. W. B. Leeds. I think he lives in Europe. I have not seen him in four years. He was prominent under Mr. Arms. I only mention that because they were together.

Q. Those gentlemen you have named, you think, were in a position to know about those contracts, if there were any such contracts?

A. I think they might, if there were such contracts made.

Q. Do you know of any other person whose name you have not mentioned, and who is living, who, in your judgment, was in a position to know if there were any such contracts?

A. I do not remember anybody else now, Mr. Dickinson.

Q. I will ask you whether or not at the same time this question was asked you.

Mr. Severance: What page is that?

Mr. Dickinson: That is on the same page, 875.

By Mr. Dickinson:

Q. (Continuing) "Q. That understanding is with these few manufacturers from whom you have agreed to take the largest part, at any rate, of their output; if they sell to anybody else, they must do it with the understanding that their machine is not to be used for the purpose of making tin plate.

"A. They are free to sell where they please outside of tin plate. We take all the rolls they make for tin plate work."

What is your recollection about that?

A. I do not remember, sir. It may have been just as I said there. I do not remember.

Q. You do not remember whether that is the fact or not?

A. No, sir.

MR. LINDABURY: It looks to me, Judge, as if you were trying to lead the witness.

MR. DICKINSON: I do not think I have led him very far.

MR. LINDABURY: It occurs to me that you are infringing just a little bit on that rule.

MR. DICKINSON: You can lead a horse to water, but you cannot make him drink, and you cannot make a witness remember if he says he does not remember.

By MR. DICKINSON:

Q. Mr. Reid, did you ever hear of the A. Garrison Foundry Company, of Pittsburg?

A. Yes, sir

Q. What did they make?

A. A general line of mill machinery, I think it was.

Q. They made such machinery as you used in making tin plate?

A. Yes, sir.

Q. Did you ever hear of the Lewis Foundry & Machine Company of Pittsburg?

A. Yes, sir; there was such a concern as that in those days.

Q. Located at Pittsburg?

A. Yes, sir.

Q. What did they make?

A. A general line of mill machinery, I believe.

Q. Such machinery as was used in tin plate work?

A. As I remember it; yes.

Q. Was there a concern known as Robinson, Rea Machine Company of Pittsburg?

A. Yes, sir; that was a very substantial house that made mill machinery.

Q. Where were they located?

A. Pittsburg.

Q. They made the same kind of machinery as the others?

A. Yes, sir.

Q. To save time, I will just read this through, and it will probably economize a little. Did you ever hear of Frank Neeland & Company of Pittsburg?

A. Yes.

Q. Did you ever hear of the Mesta Foundry & Machine Company?

A. Yes, sir.

Q. Did you ever hear of Seamen, Sleeth & Black?

A. I think there was such a firm as that.

Q. Located at Pittsburg?

A. Yes, sir.

Q. And making mill machinery?

A. Yes, sir.

Q. Did you ever hear of the Lincoln Roll & Foundry Company?

A. Yes, sir.

Q. Did you ever hear of the George A. Hoag Iron & Steel Foundry Company?

A. I believe there was such a company.

Q. Located at Pittsburg?

A. Yes, sir.

Q. Did you ever hear of Mackintosh, Hemphill & Company?

A. Yes.

Q. Did you ever hear of Floyd Booth & Company, of Youngstown?

A. I think so.

Q. Did you ever hear of the Riverside Foundry Company of Cleveland?

A. I do not remember that name. It may have been there.

Q. You recognize all those companies I have named except the last one as makers of that kind of machinery?

A. Yes. They were nearly all prominent houses, most of them making tin plate machinery, I believe, at that time.

Q. Since I have read those names, I will ask you whether or not you can say that your company had contracts with those companies for making machines?

A. Had or had not?

Q. I ask you if you had them or not?

A. I do not remember, Mr. Dickinson. We, at times, during the old days, and later on, bought machinery from most of those people, but I would not say all of them; some of them. The names are familiar to me. As for contracts, I do not remember anything about it.

Q. You simply know that you purchased from some of them?

A. We did.

Q. If you had any contracts with them they furnished machines?

A. Some of those houses would furnish the machinery.

Q. But you do not know the terms and conditions of the contracts?

A. I do not know that there was a contract.

Q. You do not know under what terms and conditions they furnished the machines?

A. No, sir; I do not.

Q. Mr. Reid, we have something here in print, and I will ask you whether or not you recognize that form of agreement?

A. (After examining paper) I do not recognize it, Mr. Dickinson. It may have been a regular form, but I do not remember of ever having seen one of them. I may have seen one.

Q. I will ask you, Mr. Reid, whether or not your company did enter into any contracts with jobbers by which you manufactured tin plate for them only on condition that they would transfer to your company an absolute assignment of their brands?

A. I do not remember any case of that kind, Mr. Dickinson.

Q. Where was your office while you were president?

A. Partly in Chicago, and later on in New York.

Q. And where was the chief office of the company?

A. The chief office for a time was in Chicago, and later on here.

Q. When the chief office was in Chicago you were there?

A. Yes, sir.

Q. And when it was here you were here?

A. Yes, sir.

Q. And you say that you have no knowledge——

A. That would be entirely out of my line, any business of that sort. I have had more to do with the financial end of it, but that was part of the trade business and so forth, the same as machinery would be in somebody else's department.

Q. Whose line would that be in?

A. In the selling department, I imagine; the sales department.

Q. You mean the sales of your output would be in that department?

A. The sales department of the American Tin Plate Company, if there were any brands or special brands. There may or may not have been; I do not remember.

Q. And it would have been in the jurisdiction of that department to make contracts between your company and jobbers, if such contracts were made, by which the jobbers as a condition of your selling them would first assign their brands to you, and you say that that matter would not come before you in any way as President?

A. I would not think so. It might come before a vice-president; not necessarily before me.

Q. And you have no knowledge about it?

A. I do not remember, sir.

Q. Mr. Reid, state at what time the American Tin Plate Company acquired the plant or properties of the Champion Iron & Steel Company?

A. That is Muskegon, Michigan?

Q. Yes.

A. I should say possibly within two years after the time of the organization; some time within two years.

Q. Was that or not a new concern that started up after the formation of the American Tin Plate Company?

A. I do not remember just when it was started.

Q. What is the best of your recollection about that?

A. Well, I would not be able to say. It might have been after, or it might have been a little earlier. It was not an old concern.

Q. It was a new concern?

A. It was a comparatively new concern.

Q. Formed within a year or two after the American Tin Plate Company was formed?

A. Within two years, I would say.

Q. Now, what did the Champion Iron & Steel Company make?

A. Tin plate and some black plate, possibly.

Q. It was a new plant and new machinery?

A. It was a fair plant.

Q. I did not ask you whether it was a fair plant. I asked you whether it was a new plant, with new machinery?

A. It might not have been new machinery.

Q. It was a new plant?

A. It was a new plant. They might have used second hand machinery.

Q. It was a new concern?

A. Yes, sir.

Q. It was a new Richmond in the field, was it not?

A. Right.

Q. Did D. B. Scully have anything to do with that?

A. D. B. Scully of Pittsburg?

Q. Yes.

A. I don't remember.

Q. Do you remember the names of anybody who did have anything to do with that?

A. I remember a man that did—I do not remember his name at that. He was in the jobbing business in Chicago, a Hebrew. And I think a man by the name of Henry, and a man by the name of Morgan. There were three or four. I think those are the men I recollect. There may have been twenty of them. I think there were twenty stockholders, but those were the main men in the company.

Q. What was the capacity of the company?

A. I have really forgotten whether it was a four or a six mill plant; it is either one of the two; not larger than a six-mill plant, as I remember it.

Q. And you say it was at Muskegon?

A. Muskegon, Michigan, yes, sir.

Q. In what territory was that company selling?

A. I think in Detroit and that part of the world.

Q. In competition with some of your companies?

A. I imagine so, yes, sir.

Q. In interstate business?

A. I imagine so.

MR. SEVERANCE: Muskegon to Detroit would be local business, would it not?

MR. DICKINSON: No. Muskegon, Michigan.

MR. SEVERANCE: That would be local.

MR. DICKINSON: I am asking him if they sold in the general market, too.

THE WITNESS: In the general market, yes, sir.

By MR. DICKINSON:

Q. Do you know anything about the Sharon Tin Plate Company?

A. Only by name and recollection, that is all.

Q. Where was it located?

A. Sharon, Pennsylvania, I think.

Q. What did it make?

A. I think a line of tin plate and black plate; a small plant, I think, as I remember it.

Q. Did it make the same kind of goods that some of your companies were making?

A. I think so, yes, sir.

Q. Were they in the general trade, selling in competition outside of Pennsylvania?

A. Yes, sir.

Q. In interstate business?

A. Yes, sir.

Q. In competition with your company?

A. Yes, sir.

Q. Do you know anything about a contract entered into about January 1, 1901, whereby the American Tin Plate Company agreed to purchase the entire tin plate output of the Sharon Company?

A. I do not remember it; it may have been made, sir.

Q. Have you no recollection about that at all?

A. I have not, no, sir.

Q. Was that a transaction of too little importance to come before the attention of the President of your company?

A. It may have come up, but I do not remember it. We have had four hundred or five hundred plants come into our various properties, and I would not remember the separate, individual discussions going on as to the purchase of each plant, Mr. Dickinson.

MR. SEVERANCE: I think you misunderstood the question. He did not say the purchase of the plant.

THE WITNESS: I thought he said purchase.

By MR. DICKINSON:

Q. No, sir. I asked you whether or not you had any knowledge of a contract having been entered into between the American Tin Plate Company and the Sharon Tin Plate Company by which your company took the entire output of that plant for five years. What is your answer to that?

A. I do not remember. I do not remember whether such a contract was made or not. It may have been made.

Q. You do not remember whether you ever heard of it or not?

A. I do not remember it at the moment, no, sir.

Q. What was the capacity of the Sharon Tin Plate Company?

A. I do not remember. I do not know how many mills they had. If they had six mills their capacity would be probably 150,000 boxes a week.

Q. If they had six mills?

A. If they had six mills.

Q. You do not know whether they had six mills or twenty mills?

A. No, sir.

Q. Do you know whether that was a new concern or not?

A. I do not remember. The fact of the matter is, Mr. Dickinson, in answering that it is only fair to assume that this was in 1898. All of these plants had been built since 1893, 1894, or 1895; most of them 1896 or 1897.

Q. What I meant by a new concern was whether or not that was organized after the organization of the American Tin Plate Company?

A. That I do not remember.

MR. SEVERANCE: What is the name of that company, Judge?

MR. DICKINSON: Sharon Tin Plate Company.

By Mr. Dickinson:

Q. What are tin bars, Mr. Reid?

A. Tin bars are steel bars rolled from billets.

Q. And from those bars the tin plate is rolled?

A. Bars of various lengths are heated—a good illustration, I should say, would be the ordinary country fence bar, cut into various lengths. Those bars are heated red hot, rolled into rolls, and from there rolled down into thin sheets.

Q. Now, I will ask you whether or not your company made various contracts with makers of tin bars, whereby the latter agreed to furnish bars only to the American Tin Plate Company?

A. I do not remember any such contracts.

Q. Never heard of any such contracts?

A. I do not remember any such contracts now; I do not remember ever having heard of any such contracts?

Q. If you heard of them you have forgotten them now?

A. I have; yes, sir.

Q. Who were the makers of tin bars, generally, at that time?

A. The Illinois Steel Company at Joliet, the Carnegie Steel Company, and several small concerns around Pittsburg; I think the Ohio Steel Company were making bars in those days, if I remember correctly; I am not certain about that; and some people down at Bridgeport. We were making bars at Ellwood. We had a bar mill and we made our own bars.

Mr. Dickinson: That is all.

CROSS-EXAMINATION.

By Mr. Severance:

Q. Mr. Reid, in what year did you go into the tin plate business?

A. Our tin plate company was organized in September, 1891. Do you want me to go ahead and tell you?

Q. I will ask you another question. In what year was the tin plate industry first established in the United States?

A. I think after the passing of the McKinley Bill.

Q. Was it about 1891?

A. About 1891, yes.

Q. About that year?

A. Talked about at that time.

Q. And your company was organized in September, 1891?

A. September, 1891.

Q. What was your business previous to the organization of that company?

A. I was connected with the bank at Richmond, Indiana.

Q. Had you ever been connected with the tin plate business before that?

A. I had not.

Q. Who were the organizers of this company of yours?

A. The organizers? I assume by that question you mean the stockholders.

Q. I mean the men who went into it.

A. Who were prominent in getting the company up.

Q. Who were prominent in getting the company up?

A. Mr. W. B. Leeds and myself.

Q. Who was Mr. Leeds?

A. Mr. Leeds at that time was division superintendent of the Cincinnati Division of the Pennsylvania Railroad.

Q. What was the occasion of Mr. Leeds and yourself going into the tin plate business, or what put the thought into your mind of going into that business?

A. Well, the matter was brought to my attention by certain people who had started, on account of the discovery of natural gas in the Indiana Gas Belt, a town booming scheme, and organized a company called the Ellwood Land Company. They had bought several thousand acres of land from the farmers, and had proceeded to look around and discover what they could locate in the way of factories and manufactories, and, among others, secured the Pittsburg Plate Glass Company, then called the Diamond Plate, later on the MacBeth, and a forge works and a number of bottle companies, and finally the tin plate company came along. Mr. Leeds started out to get subscribers of the money and asked me to join him, and he was at that time working, as I stated, for the Pennsylvania Railroad people, and a great many of their people were interested in this Ellwood project.

Q. That is, this town site?

A. This town site arrangement. I went out one afternoon. We raised the money to subscribe to this capital stock, $300,000. Stop me if I am telling something you do not want to hear——

Q. That is enough with that. You took this money and established the plant at Ellwood?

A. Took the money and established the plant at Ellwood, Indiana. We built a small four-mill plant, with the necessary buildings and appliances in the way of hot and cold rolls, pickling and annealing vats, and all that which went with the ordinary hot mill which rolls the metal into thin sheets.

Q. What was the situation in the United States at that time as to skilled tin makers?

A. There were very few in America—few, if any.

Q. Where had the tin plate business been carried on previous to that time?

A. Altogether in Wales.

Q. It was a new industry in the United States?

A. The first try-out of the kind here.

Q. Was your company one of the first companies?

A. Our company was one of the first, yes.

Q. Were there, as you recollect, a number of different tin plate companies organized at that time for the same purpose as yours was, that is, to provide an industry for some town?

A. Quite a few of them along those same lines and for that reason.

Q. Were any of the people who organized those companies and started in the business skilled in the art of making tins?

A. They were nearly all farmers.

Q. They were not skilled manufacturers, then?

A. A great many of the mills were organized by farmers or land-boomers. After organizing they proceeded to Pittsburg to hire some superintendent who had seen some bar iron or black sheets rolled. That was largely the history of the organization of those companies.

Q. As a matter of fact, there were not in the business when you went into the business any men, or at least any number of men to speak of, who were skilled in the art of making tin?

A. Very few—very few.

Q. Did that condition continue for several years thereafter?

A. I should think that that condition continued up until, probably, 1893 or 1894, with a few exceptions.

Q. They learned by experience, did they?

A. That is right.

Q. And a great many of them through very costly experience?

A. Quite so.

Q. How was it with your company?

A. Our first year was disastrous. We had our mill in the scrap pile at the time of the first annual meeting. We proceeded to look the situation over, and finally bought some heavier machinery. We got what we thought was a first-class man, of whom there were very few in the country at that time, to take charge. He had some draughtsman sketch some much heavier machinery than the style we had been using, and we had it made and erected it in the mill, and so on and so forth, for which we gave our notes—long time notes. Then, later, we commenced to show better results. This was probably in 1891, and I would say in 1894 we commenced to show a little better results. We had a four-mill plant in 1894, and in 1898 we had twenty mills at Ellwood and six at Montpelier, Indiana.

Q. Your company had grown from 1894, to the time of the organization of the Tin Plate Company, from one four-mill plant to two plants with the capacity you have stated?

A. Yes.

Q. What was the general situation of the men engaged in the tin plate industry in the United States immediately prior to the organization of the American Tin Plate Company?

A. You mean the companies themselves?

Q. Yes.

A. Very few of them were making any money at the time. Some of the plants were in distress. They had been going behind with experimental work, and, as I stated before, some of the men connected with the companies being practically farmers in the business, it was a little expensive. They had rolled up accounts with steel mills and banks, etc., and in some cases they were having money advanced by jobbers for payrolls,

and the business was in a very bad looking condition at that time, generally speaking, for the future.

Q. Some mills, like your own, were reasonably prosperous, were they?

A. Quite a number of mills had people connected with them who could raise money and had money.

Q. Who first started the organization of the American Tin Plate Company? You said Judge Moore was in charge of it, I believe.

A. You are speaking now not about the old, original——

Q. No; I mean the American Tin Plate Company, the defendant here.

A. Some smaller mills, I think, were quite anxious to find a buyer for their plants and get out of business, and I imagine that among the first people who spoke to Judge Moore about the business was Otis and Mr. Miller of Joliet.

Q. Where was their concern?

A. Their head office was in Chicago, but the plant was in Joliet. They were personal friends of Mr. Moore, had known him for a good many years, and possibly called it to his attention first.

Q. Was it through those gentlemen that you met Judge Moore?

A. My recollection is that I met him through them, yes.

Q. Their plant was the Great Western?

A. Their plant was the Great Western Tin Plate Company.

Q. Located at Joliet?

A. Yes.

Q. Did it come to your attention at that time, through your interviews with those gentlemen, whether that was a prosperous concern or otherwise?

A. There were very little means of knowing whether they were prosperous. For instance, take our plant at Ellwood. We were operating down there, and the other people were operating in Chicago, and we knew nothing about them financially or otherwise. Afterwards it was discovered they were not very prosperous, but at the time I speak of we had no means of knowing it.

Q. You were asked about your connection with the organi-

zation of the American Tin Plate Company, and you said that the first intention was to put together a few stronger plants.

A. A few of the larger and better plants; that was the original idea.

Q. Now I will ask you whether at the time the organization was started there was any intention on the part of yourself and Judge Moore and your associates, or whether there was at any time any intention on the part of Judge Moore, yourself or the other gentlemen concerned in this organization, to monopolize the tin plate business?

MR. DICKINSON: I object to that.

MR. SEVERANCE: It is a question of intent. It is proper on cross-examination.

MR. DICKINSON: I object to it as irrelevant and misleading.

By MR. SEVERANCE:

Q. Go on and answer the question.

A. It was the intention to put a few of the larger plants together, thereby reducing overhead charges and affording to the sellers of bars and supplies of all kinds coming in to make up the product of the American Tin Plate Mill, a larger customer, thereby giving the American Tin Plate Company, as we figured it in our minds at the time, a great many concessions in the way of buying supplies. In other words, we could buy, say, 500,000 tons of bars much cheaper than we could buy the necessary supply for one mill; or we could buy $300,000 or $400,000 worth of acid on better terms than we could buy a small quantity. We were using gas, as a matter of fact; but I mean we could buy all the supplies that go to make up the necessary raw material for a tin mill, which supplies are very numerous, cheaper in quantity than we could to buy for the separate mills.

Q. Then the thought in your mind was to enlarge your company into a more important concern for the reduction of the overhead charges and buying cheaper supplies and thereby making the business more prosperous?

A. We wanted a big going concern so we would be a factor in the trade, and when we went to see a steel mill to buy steel,

they would take a look at us and not send a little satellite to us.

Q. And you had no intention of taking in all the mills in the business or monopolizing the business?

A. No such intent at all.

MR. DICKINSON: That is objected to as leading and because it is cross-examination of your own witness.

By MR. SEVERANCE:

Q. As a matter of fact, did you at any time take in all the mills in the business? Were there not left, outside of the mills taken into the Tin Plate Company, different tin mills scattered around throughout the territory covered by the mills that were taken in, that were engaged in the tin business in competition with you?

A. Several that were not taken in.

Q. And that number has steadily increased?

A. It has, sir.

Q. Is it not a fact at the present time, Mr. Reid, that there are nearly as many tin mills in the business controlled by parties other than the American Tin Plate Company or the United States Steel Corporation as there are in the Corporation?

(No answer.)

By MR. DICKINSON:

Q. Wait a minute. I see you are about to read from a paper. What is that?

A. These are figures that I asked them to make up for me in regard to the number of tin mills operated by the Steel Corporation and the number of tin mills operated by outsiders, or independents, so called, and also in connection with that I have asked for the tonnage and the percentage.

Q. Who made up those figures?

A. I went over to the Steel office and asked them to make them up for me.

MR. SEVERANCE: Mr. Filbert made them up.

By MR. DICKINSON:

Q. To what office did you go?

A. To the office of the United States Steel Corporation.

Q. Do you know whether they are correct or not?

A. They are taken right off the books.

Q. I know. But do you know whether they are correct or not?

A. I saw Mr. Filbert take them down, and I assume they are correct, or about the right number. They appear to be the number of tin mills that I have heard talked about that the Corporation had for a great many years, and about the number that the independents have. They may not be right within one or two or three or four or four or five or six or seven.

MR. SEVERANCE: I suggest that you put them in, and then Judge Dickinson can make any objection to them that he sees fit.

THE WITNESS: You can check it up, you know.

MR. DICKINSON: I simply want to get a little more connection there.

By MR. DICKINSON:

Q. You did not make them up yourself?

A. No, sir; I went over there and I was there while he made them up, and waited and had them made up and sent to my office.

Q. You did not verify the sources from which they were made up?

A. That is the best source in the country; the best place I could go to get them.

Q. You believe they are true?

A. I believe they are absolutely true.

Q. But you have not verified them yourself?

A. No, sir.

MR. DICKINSON: I object to them as incompetent.

THE WITNESS: Here are 235 hot mills owned by the United States Steel Corporation. I say hot mills; that is, tin mills; and 202 owned by the——

MR. DICKINSON: Just wait a minute. You went there in anticipation of this examination?

THE WITNESS: Mr. Dickinson, to be perfectly frank with you, so that there is nothing up my sleeve at all, I saw that same question had been asked of one of the wire men, and I said to myself: "I am rusty in this tin plate business, and if they ask me questions like that, I will not know anything about it; so I will get some figures, in order that I may have them with me if I am asked about these things." That is the reason I made this up.

I stopped with 235 hot mills for the United States Steel Corporation. The independents have 202.

By MR. SEVERANCE:

Q. How many different concerns own those 202 mills, out over the country?

A. The outside mills? There are——

Q. They are right here, on that next page that you have. Just turn over the page.

A. Twenty-seven separate, independent mills.

MR. DICKINSON: What do you mean by "independents"?

MR. SEVERANCE: Outside of the Steel Corporation.

THE WITNESS: Outside of the Steel Corporation; referred to by the newspapers and others as "independent" mills.

By MR. SEVERANCE:

Q. Does this statement you have made show the aggregate capacity of the mills of the Steel Corporation and the aggregate capacity of the mills of the other manufacturers?

A. It does.

Q. What is it?

A. The Steel Corporation's capacity is 842,300 gross tons.

Q. That is 53.7 per cent.?

A. 53.7 per cent. of the whole. The capacity of the independents is 727,000 gross tons, or 46.3 per cent., as per this statement.

MR. DICKINSON: Did you ask what period this refers to, Mr. Severance?

By Mr. Severance:

Q. This refers to the present time?

A. April, 1912.

Q. They are brought right up to date?

A. Yes.

Q. Did you learn whether there were under construction any additional plants? Refer to Note B there.

A. Yes, sir, there were, April 1, under construction by two of the above 27 concerns 14 additional mills which would have an annual capacity of about 50,000 tons. These mills and capacity are not included in the above figures.

Q. Have you had made up also a list of the individuals engaged in this business outside of the United States Steel Corporation; that is, the tin mill operators?

A. Yes; I have it right here.

Mr. Dickinson: That is objected to as irrelevant, incompetent, and as based upon a list that he did not himself make up.

By Mr. Severance:

Q. I will ask you whether or not, from your general familiarity with the business, and as a director of the Steel Corporation, you know of a number of these concerns, and if so, how many of them personally?

A. I know very few of them these days. I could call off probably a few. You mean those that I know personally?

Q. You know of their being engaged in this business?

A. I know of practically all of them, yes. Several here, like Jones & Laughlin, National Enameling, Newport Rolling Mills, Follansbee Brothers, Griffiths, are very familiar to me, and have been in the trade for a great many years; the Phillips Sheet and Tin Plate Works and a few others, other big concerns. Those are all independents.

Q. Are you able to state, Mr. Reid, which ones of these concerns that are now engaged in the tin plate business were engaged in the business at the time the American Tin Plate Company was formed?

A. I am a little rusty on that.

Q. You would prefer to have that proved by somebody else?

A. Yes; in order to get it exactly.

(Whereupon, at 12:35 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

At the expiration of the recess the hearing was resumed.

DANIEL G. REID,

the witness under examination when the recess was taken, resumed the stand.

CROSS-EXAMINATION (Continued),

By MR. SEVERANCE:

Q. Mr. Reid, I was asking you at the time of the recess wtih reference to the tin mills outside of the mills that were turned over to the American Tin Plate Company, and I showed you a list, and you said you would not be able to identify all of those in the list. That is the list that was made up for you.

MR. DICKINSON: You are not offering that list in evidence?

MR. SEVERANCE: Oh, no, no.

By MR. SEVERANCE:

Q. This morning, in answer to Judge Dickinson, you testified relative to the mills that went into the American Tin Plate Company and that are on pages 10 and 11 of the Government's petition?

A. Yes.

Q. I call your attention to some of these, and if you cannot remember, just say so; and if you can remember, say so. I will ask you whether you know of a company that was then manufacturing tin that was not taken over by the American Tin Plate Company, known as the Canonsburg Iron & Steel Company, of Canonsburg, Pennsylvania?

A. I do not remember as to that.

Q. Do you remember a company called the Griffiths Charcoal Iron Mill, Washington, Pennsylvania?

A. I do not remember.

Q. Do you remember the Lalance & Grosjean Manufacturing Company, of Harrisburg?

A. They were not taken in. They were a well-known company.

Q. Was that a tinplate manufactory?

A. Yes.

Q. It was not taken in?

A. No.

Q. You knew of their doing business at that time?

A. I did.

Q. Do you know their capacity?

A. My recollection is that it is a six mill plant.

Q. The National Enameling and Stamping Company, Granite City, Illinois?

A. They were not taken in.

Q. Was that a substantial concern?

A. It was said to be.

Q. Did you know at the time, or do you remember anything about their capacity?

A. My recollection is that it was a ten mill plant.

Q. You do not intend to be accurate about these details?

A. No, sir.

Q. You are merely giving the best of your recollection?

A. Yes, sir; my best recollection.

Q. Did you know of a company not taken in by you, called the Parkersburg Iron & Steel Company, of Parkersburg, West Virginia?

A. I do not remember it.

Q. Did you know of a Company known as the N. & G. Taylor Company of Philadelphia?

A. I remember the N. & G. Taylor Company.

Q. Do you have any recollection of their capacity?

A. I think it was a four mill plant, making roughing plate only.

Q. Do you know a company called the Alcania Company, of Avonmore, Pennsylvania?

A. I remember the plant, yes.

Q. That was not taken in?

A. No.

Q. Do you remember anything about the size of it?

A. My recollection is that it was either a two mill or a four mill plant; I have forgotten which.

Q. Do you know about the Washington Tin Plate Company, of Washington, Pennsylvania?

A. I do not remember.

Q. Or the Whittaker-Glessner Company, of Wheeling, West Virginia?

A. I do not remember.

Q. Or the Ferguson Tin Plate Company of Pittsburg?

A. I do not remember.

Q. The Merchant & Evans Company of Philadelphia?

A. I do not remember.

Q. Meurer Brothers, Brooklyn, New York?

A. I do not remember.

Q. Do you not remember Meurer Brothers?

A. I remember the plant, but I do not remember whether they were taken in or not. I think not.

Q. You remember there was such a plant?

A. I think there was such a plant, yes.

Q. That is not in the list?

A. No, sir; it is not in the list.

Q. I call your attention to that, that it is not in the Government's bill.

A. Yes.

Q. Mr. Reid, what raw materials, or semi-finished materials, do tin plate mills have to buy?

A. The largest item is steel. The next largest is pig tin.

Q. What other items are there?

A. Acids; muriatic acid, sulphuric acid; flux, greases; oils of all kinds.

Q. Where is pig tin manufactured?

A. Pig tin is mined and smelted in the East Indies and Australia. Small quantities are mined and smelted in other parts of the world. Some little comes from Bolivia, South America. The largest quantity, however, comes from the East Indies.

Q. Did the American Tin Plate Company, and did your company, previous to the organization of the American Tin

Plate Company, have to go into the open market and buy pig tin?

A. We were buyers of pig tin in the open market.

Q. Did the American Tin Plate Company, after its incorporation, or did your company, or any other company, so far as you know, own any pig tin smelter or mine?

A. They did not.

Q. So that that was a material which had to be bought in the open market by any person making tin plate?

A. Yes.

Q. Did any of these companies that went into the American Tin Plate Company manufacture steel billets?

A. They did not; with one exception.

Q. What was that?

A. The Aetna Standard at Bridgeport.

Q. Outside of that there were none of them that made their own steel?

A. I think not; none of them.

Q. Did any of them produce their own sulphuric acid?

A. They did not.

Q. You were asked this morning by my friend, Judge Dickinson, about the tin plate prices. You testified from Metal Statistics for 1912, compiled by Phelps-Dodge & Company, which you say is a standard work. I wish that you could state, using this book as your guide, the average prices of tin plate from 1880 down to 1911, as shown by this book.

A. The price of 14 by 20 I. C. 108 pounds, for 1880 was $6.75 per box.

By Mr. Dickinson:

Q. What does "I. C." mean?

A. That means the coke plate. I. C. coke, 108. That is a term given by the English manufacturers, Judge Dickinson, when the manufacture of tin plate was started, and it has always gone under the name of I. C., 108 being a standard size in the old days.

By Mr. Severance:

Q. These figures which you are giving are with reference

to the same sizes and weights as you testified to this morning in answer to Judge Dickinson?

A. One and the same.

Q. The same weight?

A. The same weight of steel.

Q. You have before you the same list?

A. The same list exactly.

Q. You say that in 1880 the price was $6.75. This morning you testified that in 1897 it was $3.26, and in 1898 $2.99, and in 1899 4.41. That is the same article, is it?

A. That is the same exactly.

Q. Go on and give the prices year by year.

A. 1881 the price was $5.41.
1882 the price was $5.30.
1883 the price was $5.10.
1884 the price was $4.70.
1885 the price was $4.40.
1886 the price was $4.30.
1887 the price was $4.60.
1888 the price was $4.55.
1889 the price was $4.55.
1890 the price was $4.80.
1891 the price was $5.34.

Q. That is the year you established your plant?

A. Yes, sir.

Q. You testified that was the first year the tin plate mills were established in this country?

A. That is right.
In 1892 the price was $5.30.
In 1893 the price was $5.37.
In 1894 the price was $4.89.
In 1895 the price was $3.87.
In 1896 the price was $3.63.
In 1897 the price was $3.26.
Then the next is——

Q. Proceed, please.

A. In 1898 the price was $2.99.
In 1899 the price was $4.41.
In 1900 the price was $4.82.
In 1901 the price was $4.35.

In 1902 the price was $4.28.
In 1903 the price was $4.09.
In 1904 the price was $3.76.
In 1905 the price was $3.85.
In 1906 the price was $4.04.
In 1907 the price was $4.25.
In 1908 the price was $4.05.
In 1909 the price was $3.83.
In 1910 the price was $3.91.
In 1911 the price was $3.92.

You understand these prices are the prices for tin plate, freight paid to New York.

Q. In every case?

A. In every case.

Q. Therefore the price at the mill would be that amount less the freight to New York?

A. It would be that amount less the freight to New York, or whatever it might be from the Pittsburg or Western District.

Q. You have testified that steel was one of the important items that you had to buy to make tin plate. What is the fact, as you recollect, as to whether the price of steel went up very much in the market between 1898, when this low price prevailed for tin plate, and 1899, when the higher prices prevailed?

A. I think there was a very material advance in the price of steel.

Q. In the Government's Exhibit, 68-a, which is one of the charts made by the Iron Age, introduced in evidence the other day, it appears that in 1898 the price of steel billets was, in the latter part of the year, a little over $16 a ton, and in October, 1899, it was nearly $39 a ton.

A. I think that is right.

Q. Therefore the price of steel billets which you had to buy in the market, to make tin plate, was in 1899 over twice what it was in 1898?

A. That I think is right; and illustrating that quickly, in getting it into boxes of tin plate, I should say the cost of steel was about a dollar a box higher than it was in 1898.

Q. About a dollar a box higher?

A. Yes, sir.

Q. It would be the difference between $16 and $39, which would be about $23 a ton higher?

A. $23 a ton, and it takes 2,160 pounds of steel to go into a ton of tin plate such as we are talking about here to-day, 108 pound tin.

Q. Consequently it was a little over a dollar a box, higher?

A. Something over a dollar a box.

Q. My attention is called to the fact that these are gross tons?

A. It would be over a dollar a box from the fact that these are scrap, ends, and all that sort of thing, and it goes into the furnace and it is remelted.

Q. It also appears by the Government's Exhibit 68-a, that Bessemer pig sold in the fall of 1898 at $10.50 a ton, and in the fall of 1899 at $25 a ton, which is two and one-half times as much?

A. That is right.

Q. What is your recollection as to whether the cost of tin went up during that same period? You say that was the year in which you had to buy in the open market to make tin plate?

A. My recollection is that prices for pig tin in 1898 were at about the low point. I was discussing that with one of our friends the other day.

MR. DICKINSON: Do not tell us what you were discussing.

THE WITNESS: All right.

By MR. SEVERANCE:

Q. That is your recollection, is it?

A. Yes, sir.

Q. It appears by Government's Exhibit No. 68-e, which was introduced in evidence the other day, that the price of pig tin, at the beginning of 1898, was about $13.60 per 100 pounds, and that at the end of that year it was $18 per 100 pounds.

MR. DICKINSON: Is that per 100 pounds?

MR. SEVERANCE: That is per 100 pounds; yes, sir.

By Mr. Severance:

Q. (Continuing) And that in September, 1899, it was $32.40 per 100 pounds?

A. I think those figures are right, sir.

Q. So that the cost of that commodity went up about 100 per cent.?

A. More than doubled.

Q. That was another thing that you had to buy in the open market to make tin plate?

A. Yes, sir.

Q. How much tin is consumed in making 108 pounds of tin plate—how much pig tin?

A. I think the practice was two to two and a half pounds per hundred.

Q. Two to two and a half pounds per hundred?

A. Yes, sir.

Q. Suppose the increase then was from $18 to $32.40, that would be——

A. Thirty-five cents a box extra cost for the tin alone.

Q. It would make about 35 cents extra cost for the two to two and a half pounds of tin?

A. Yes, sir.

Q. More than that, would it not?

A. The extra cost?

Q. Would it not be more than that? The difference between $18 and $32.40 would be——

A. Fourteen cents, and two pounds would be 28 cents and a half a pound would be seven cents.

Q. About 34 cents?

A. Yes, sir; about 34 or 35 cents.

Q. Mr. Reid has figured this out on a piece of paper. Will you permit him to ask a question?

A. I am dropping fractions.

Mr. Reed: I figure here, Mr. Reid, that two and a half pounds of tin, at 13 cents and 6 mills per pound, would be 34 cents. That is the low price. The high price of $32.40 per hundred, which is 32 cents and 4 mills per pound, two and a half pounds of that would cost 81, or a difference of 47 cents in the price of tin.

MR. SEVERANCE: You are taking the low point.

THE WITNESS: I was figuring the high point.

By MR. SEVERANCE:

Q. Mr. Reid was figuring the high point, which is 18 cents?

A. Eighteen cents, yes.

Q. So that would account for the rise in the price of tin plate during that time?

A. Yes, sir.

Q. I will ask you now, Mr. Reid, if you are able to tell—if you do not know, you can say so—with reference to people who have gone into the business of manufacturing tin plate since the organization of the American Tin Plate Company. Do you know of the American Rolling Mill Company of Zanesville, Ohio?

A. I only heard of it; I do not know of it.

Q. The Brier Hill Steel Company, of Youngstown, Ohio?

A. I do not know that company.

Q. Carnahan Sheet & Tin Plate Company, of Ogden, Ohio?

A. I do not know that.

Q. Canonsburg Iron & Steel Company of Canonsburg, Pennsylvania?

A. I do not know of them.

Q. DeForest Sheet & Tin Plate Company of Niles, Ohio?

A. I do not know of them.

Q. Folansbee Brothers, of Folansbee, West Virginia.

A. A very successful concern.

Q. Inland Steel Company, of Indiana Harbor, Indiana?

A. A very successful company.

Q. Is that a large company?

A. Very large.

Q. Western Sheet & Tin Plate Company, of Greencastle, Indiana?

A. I do not know it.

Q. Jobe Iron & Steel Works, of Ashland, Kentucky?

A. Do not know it.

Q. Jones & Laughlin Steel Company, of Pittsburg, Pennsylvania?

A. Very large.

Q. The Massillon R. M., I suppose it means rolling mill, Company, of Massillon, Ohio?

A. Do not know it.

Q. The McKeesport Tin Plate Company, of McKeesport, Pennsylvania.

A. Very large.

Q. The Newport Rolling Mill Company, of Newport, Kentucky.

A. A small concern.

Q. In the tin plate business, however?

A. Yes, sir.

Q. Osterberg Tin Plate Company, of Waynesburg, Pennsylvania?

A. I do not know it.

Q. North American Steel Company of Bellington, West Virginia?

A. Do not know it.

Q. Phillips Sheet & Tin Plate Company, of Weirton, West Virginia?

A. A very large concern.

Q. Standard Tin Plate Company, of Canonsburg, Pennsylvania?

A. Do not know it.

Q. Union Sheet & Tin Plate Company, of Marietta, Ohio?

A. Do not know it.

Q. Wilkee Rolling Mill Company, of Sharon, Pennsylvania?

A. Do not know it.

Q. But those companies that you testify to as large concerns are very large, are they not?

A. Very large concerns, very successful.

Q. And they have all gone into the tin plate business since the organization of the American Tin Plate Company?

A. All of them.

Q. I think you testified this morning, in answer to Judge Dickinson, that to your knowledge there had never been any pool or agreement on prices between tin manufacturers?

A. Not that I remember; none at all.

Q. You do not know of any such thing?

A. No, sir.

Q. After the time the American Tin Plate Company was organized, and previous to the time the United States Steel Corporation was organized, you were president, I believe, of the Tin Plate Company?

A. Yes, sir.

Q. During that time were there other tin plate mills springing up in different parts of the country?

A. Daily; almost daily.

Q. They were coming along very fast, were they?

A. Very fast.

Q. A great many went into business shortly after that?

A. Yes, sir; in the next year.

MR. DICKINSON: The next year after what, do you mean?

THE WITNESS: He was speaking of the organization. The following year after the organization there were a number of new tin plate plants started.

By MR. SEVERANCE:

Q. When you say daily, I do not suppose you mean exactly daily?

A. Not daily; we would hear of them daily.

Q. After the formation of the company was there any effort made by your company to drive new competitors out of business by going into one locality and putting them out of business?

A. Never.

Q. And keeping up the prices at other places?

A. Never heard of such a thing.

Q. Never heard of such a thing?

A. There was nothing of the kind ever done.

Q. The competition was fair and open, was it?

A. Perfectly so.

Q. You testified this morning, in answer to a general question asked you by Judge Dickinson, that all of these companies which were sold to the American Tin Plate Company were in competition. I will ask you whether the location of tin plate mills restricted in any way their ability to compete with other mills in a different part of the country?

A. To some extent, yes. The small mill in the West that

was running along on a very small margin of profit could not afford to enter, say, the Boston market, with his tin plate, for delivery there, and in a great many cases, and in fact in most of the cases in those days, plates were sold f. o. b. makers' mills with the price of the freight added.

Q. Take mills located out in Illinois, for instance. There was a mill, for instance, at Joliet, that has been mentioned here, and I think one in——

A. The Great Western at Joliet?

Q. Yes. Where was their market?

A. Their market was mostly Chicago.

Q. Have you had any immediate connection with the business since the Steel Corporation was formed?

A. None whatever.

Q. You have been a director of the Steel Corporation ever since it was formed?

A. Yes, sir.

Q. You have heard of these various plants from time to time, have you?

A. Yes, sir.

Q. You stated this morning in answer to counsel, that Judge Moore was the syndicate manager, either he or his brother in the organization of the American Tin Plate Company?

A. I did.

Q. Did I not so understand you to state?

A. Yes, sir.

Q. Now, when he undertook that job you had consultations with him, did you not?

A. Yes, sir.

Q. About your plant going in?

A. A number of times he came down and looked the plant over and saw it and inspected it.

Q. And also with reference to taking in other plants, you said you introduced him to some people?

A. I did, yes, sir.

Q. How many months, would you say, were consumed from the time you first met Judge Moore in connection with that business and the time that the company was formally organized and went into business?

A. I would say more than six months.

Q. At the end I think you said it came about rather quickly, after it got going?

A. At the finish.

Q. But it took several months to get it under way?

A. To get it under way and in shape.

Q. You stated that the options were on the basis of cash with the mills, I think?

A. Yes, sir.

Q. Was there any connection between the making of these options and the underwriting of the stock of the new company?

A. In answer to that, the options I stated were in each case taken for cash, and the parties giving the options were very strong in making the demand that they be paid in cash.

Q. That is, some of them were?

A. Practically all of them, I guess; ninety per cent of them, say, insisted upon cash and later, when they saw that the thing was a success, that the underwriting price was advancing, and so forth, what arrangement Judge Moore made with some of them as to giving them a share in the underwriting or not, I do not know; I do not know the percentage and the amounts that they received. I never heard that.

Q. You stated this morning that you participated in the underwriting?

A. I did, yes, sir.

Q. I think you also stated that the underwriting provided for one share of preferred and one share of common stock for each $100?

A. I did, yes.

Q. Did you know, or have you any recollection now, as to whether that underwriting was largely paid by people, or to a considerable extent paid by people who were not connected with the tin plate business?

A. A great deal of it was by people not connected with the tin plate business.

Q. You spoke of Marshall Field. You said you did not see him put his name down——

A. I was told he was one of the underwriters.

MR. DICKINSON: We do not want what you were told. I object.

MR. SEVERANCE: He said he did not know of his own knowledge——

MR. DICKINSON: Then I do not want him to tell what he was told.

By MR. SEVERANCE:

Q. Did you hear in connection with the matter, when it was progressing, that people in different parts of the country who were not in the tin plate business were upon the underwriting?

A. I heard that a number of them——

MR. DICKINSON: I object to the witness stating what he heard.

By MR. SEVERANCE:

Q. Go ahead and answer the question.

A. I heard a number of names mentioned as being underwriters.

Q. People who were disconnected from the tin plate industry?

A. Entirely so.

MR. DICKINSON: I make the same objection to that question.

By MR. SEVERANCE:

Q. That is a matter that Mr. Moore can testify to better than you?

A. He had charge of it entirely.

Q. You stated this morning, in answer to Mr. Dickinson, as I recall, that your idea in getting up this company, or the idea of the gentlemen who got it up, of whom you were one, was to put together a number or companies, a number of existing plants, I should say, so as to make a large, strong company?

A. Yes, sir.

Q. Was there any intention on the part of you or the other gentlemen who were engaged in organizing the American Tin

Plate Company, so far as you know, to create a monopoly of the tin plate business?

A. On the contrary, there were a great many of the plants we would rather not take in.

Q. As a matter of fact, you did not take in all of them?

A. We did not, no, sir.

Q. From the time the Tin Plate Company was organized, down to the present time, when one-half the production is outside the Tin Plate Company, as testified, has there been any time that there was not outside, active competition in the tin plate business?

A. There has always been active outside competition—stronger to-day than ever.

Q. In fixing the price of your plant ,and so far as you know, all other plants, was it the bare plant that was valued, and was the stock on hand and partly manufactured stock valued separately, or was it all valued together?

A. My recollection of the matter is this: We sold the plant itself for so much cash. We then sold our inventory, which consisted of black plate, manufactured tin plate, pig tin, steel, black sheets, and all the merchandise which goes to make up the stock on hand of a tin plate mill at inventory prices, the inventory being taken at the market prices current at that time.

Q. You were the first president of the company?

A. Yes, sir.

Q. You continued to be the president down to the time it was sold out?

A. Yes, sir.

Q. Who succeeded you?

A. Mr. W. T. Graham.

Q. Did the parties who sold their plants to the American Tin Plate Company sell their accounts that they had against the customers, or were their accounts retained?

A. The accounts were retained.

Q. And any cash in the treasury was also retained?

A. It was also retained.

Q. So, the sale was the plant and material on hand, either manufactured or partly manufactured?

A. Correct.

Q. Coming down to the organization of the National Steel Company, concerning which you were interrogated this morning, you stated that you were interested in one of the companies that went into the National Steel Company?

A. Yes; the King, Gilbert & Warner Company, of Columbus, Ohio.

Q. What was the purpose of organizing the National Steel Company, what was the dominant purpose in view?

A. The principal purpose in view at the time the organization was thought of and brought about was the furnishing of supplies for the American Tin Plate Company, in the way of steel bars, etc.

Q. That is, the company was organized so as to insure a supply of material for the American Tin Plate Company?

A. For the manufacture of tin plate.

Q. And were the same gentlemen interested in the formation of the National Steel Company who had formed the American Tin Plate Company?

A. Part of them only.

Q. What kind of a concern was this Company at Columbus, Ohio, that you were interested in?

A. They were manufacturers of pig iron and steel.

Q. Was that a large plant, or a medium sized plant, or a small plant?

A. My recollection is that their tonnage was about a thousand tons a day.

Q. As a matter of fact, when the National Steel Company was finally organized, did it have a capacity beyond the needs of the American Tin Plate Company?

A. Very much larger than the needs of the American Tin Plate Company.

Q. You said you were one of the underwriters of the American Sheet Steel Company, did you not?

A. Yes.

Q. What was the purpose in view of you gentlemen in organizing that company?

A. To secure another large customer for the National Steel Company.

Q. I think you said that so far as the American Hoop Com-

pany was concerned, you had nothing personally to do with its organization?

A. That is correct.

Q. Were you not an underwriter?

A. I think I was, for a small amount, but I do not think I was even a director in the company.

Q. Was that organized by Judge Moore also?

A. Yes, sir.

Q. Do you know from knowledge obtained at that time as to the purpose of organizing that company?

A. To secure another customer for the National Steel Company.

Q. From the time these four companies were organized into a condensed business, that is, the American Tin Plate Company, the National Steel Company, the American Sheet Steel Company and the American Hoop Company, were they, from the time the last one was organized, in a way controlled by the same interests?

A. I should say by the people who had bought out the American Tin Plate Company, and some of their friends and followers.

Q. So that Judge Moore was the prominent figure in all four, was he?

A. He was.

Q. He operated them and they were operated harmoniously, were they not?

A. They were—very.

Q. You were asked this morning about selling the American Tin Plate Company to the United States Steel Company, and as to the price received for its shares, and testified in reference to that?

A. Yes.

Q. You recall the circumstances of that sale being made, do you not?

A. Yes, sir.

Q. Were you a party to the negotiations?

A. I was consulted from day to day by Judge Moore.

Q. What was the attitude of the parties controlling the American Tin Plate, the American Sheet Steel, the American Hoop and the National Steel Company? That is, what was

the attitude of Judge Moore and his associates, among them yourself, as to selling one of those companies to the Steel Corporation, or two of them, without selling them all?

A. Our proposition was to sell all or none.

Q. And you would not entertain a proposition to sell any one without the others?

A. We would not.

Q. Who personally had the negotiations with the gentlemen who were forming the United States Steel Corporation—Judge Moore?

A. Judge Moore.

Q. And you were constantly consulted by him?

A. Yes, sir.

Q. And who else was consulted by him with reference to those four companies, if you know?

A. Mr. Leeds, and Mr. Moore, his brother.

Q. That is, you four gentlemen were the dominant people in those four companies?

A. Well, there were other directors and other prominent people; but we were looked upon, I believe, as the controlling party.

Q. Judge Moore, Mr. J. H. Moore, W. B. Leeds and yourself?

A. Yes, sir.

Q. Mr. Leeds is not living, is he?

A. No; he is dead.

Q. Judge Moore is living?

A. Yes.

Q. And is here?

A. Yes.

Q. Was in the court this morning. And Mr. J. H. Moore is retired from business?

A. Yes, sir. He lives in California.

Q. Do you know of any new steel plants that have been built and gone into business since the organization of the sheet steel company?

A. I hear there have been a great many built and gone in the business.

MR. DICKINSON: That is objected to as hearsay and not competent.

By MR. SEVERANCE:

Q. There were sheet steel plants in existence at the time this Sheet Steel Company was organized, were there not?

A. Quite a number, yes.

Q. In organizing that company, did the gentlemen, including yourself, who were interested in it, proceed with the intent of procuring a monopoly of the sheet steel business?

A. Not at all.

Q. There were many outside concerns and strong ones, were there not, that were not purchased?

A. Yes, sir.

Q. I do not know whether you can remember all these on this list. Here is a list that I am going over and am going to ask you about the companies on the list, to see if you recall whether they were in existence.

MR. DICKINSON: At what time?

MR. SEVERANCE: At the time of the organization of the Sheet Steel Company.

By MR. SEVERANCE:

Q. Do you know the Berger Manufacturing Company and the Stark Rolling Mill Company of Canton?

A. I do not remember it.

Q. Do you know the Canonsburg Company?

A. I have heard of it.

Q. That was in existence at that time?

A. My recollection is that it was.

Q. And the Marshall Iron Co. of Newark, Delaware?

A. I think so. That is my recollection.

Q. The McCullough Iron Company of Wilmington?

A. I do not remember.

Q. You have already stated the National Enameling and Stamping Company, which made tin plate, was in existence?

A. Yes, sir.

Q. Were they also making sheet steel at that time?

A. Yes, sir.

Q. The Newport Rolling Mill Company of Newport, Kentucky?

A. Yes, sir.

MR. DICKINSON: You have a paper in your hands.

THE WITNESS: It is the same one I had this morning.

MR. DICKINSON: The same sheet that you were looking at?

THE WITNESS They are all pinned together.

MR. SEVERANCE: I have given you a copy.

MR. DICKINSON: Is it the same thing that he has?

MR. SEVERANCE: Yes. I just gave it to you.

MR. DICKINSON: You have a copy of the same thing Mr. Severance has?

THE WITNESS: Yes. They are all the same.

MR. SEVERANCE: I am asking about those on that sheet. Some he remembers and some he does not remember.

MR. DICKINSON: Are you speaking from memory or refreshing your mind from that list?

THE WITNESS: In a general way I am refreshing my mind from it.

MR. DICKINSON: Are you speaking from memory or from the paper?

THE WITNESS: There are some cases I remember and others I do not. I remember some on account of the people connected with them.

MR. DICKINSON: And you are only speaking of those you remember.

THE WITNESS: That is all.

By MR. SEVERANCE:

Q. I am only asking about a few of them. The Portsmouth Steel Company, of Portsmouth, Ohio?

A. I do not remember it.

Q. The Whittaker-Glessner Company you testified about this morning?

MR. DICKINSON: He said he did not know about it.

A. I do not know about that.

By Mr. Severance:

Q. The Alan Wood Company. You knew of that company, did you not?

A. Yes, sir.

Q. That is a large concern, is it not?

A. Yes, sir.

Q. J. Wood Brothers Company?

A. I do not remember it.

Q. The Youngstown Iron & Steel Company?

A. That is a very large concern.

Q. They were in business at that time?

A. I think they started about that time.

Q. You knew the Zug Iron & Steel Company of Pittsburg?

A. I have heard of them. I do not know them.

Q. The Cleveland Steel Company, of Cleveland, Ohio.

A. I have heard of them. I do not know them.

Q. The Wheeling Steel & Iron Company, of Wheeling, West Virginia?

A. I have heard of them too.

Q. You are not very familiar with some of those companies?

A. I only knew about a great many of them by hearsay, and have forgotten them. I only remember the prominent ones, the people I used to meet at Pittsburg in the Amalgamated Association meetings, where the wage scale was fixed.

Q. As I understood you this morning to say, these meetings in Pittsburg had nothing to do with the trade whatever; they were merely meetings at which the people in your general line of business met with the labor unions to fix wages?

A. Labor congresses.

Q. Labor conferences?

A. Yes, sir.

Q. They had no reference to the selling price, or the fixing of the selling price?

A. No, sir.

Q. Nothing of that kind was discussed?

A. No, sir.

Q. Where you spoke of putting these various plants into the Tin Plate Company to reduce the expense of manufacture,

other than in buying raw material, as you stated this morning, was there any saving in the matter of overhead charges?

A. There was some saving in the matter of management and reduction of overhead charges, etc., by having one district—for instance, take the Pittsburg District—in which there were, to illustrate, say from 50 to 60 or 75 mills all of which had one district manager who was responsible for his district.

Q. By fifty or sixty mills you mean separate units?

A. I mean separate units.

Q. You do not mean separate plants?

A. The other district man in Ohio, or some place else, would come along with his mills, and they would all try to make a showing as to the lowest cost of manufacture, and so on, and it was very beneficial in that way.

Q. Who are the parties that control the Inland Steel Company?

A. I have always understood that the Bloch Brothers and their following controlled the Inland Steel Company.

Q. That is located at Indiana Harbor, is it not?

A. Yes, sir.

Q. It is just out of Chicago on Lake Michigan?

A. Yes, sir.

Q. I think you stated a moment ago that that was a very large concern?

A. Yes, sir; it is very large.

Q. Has it been an active competitor of the American Tin Plate Company?

A. They do not make tin plate.

Q. I mean——

A. The United States Steel Corporation—they are a very active competitor of that; yes.

Q. What do they manufacture there?

A. They make some sheet steel. I think they have some black plate mills. I am not sure as to that. They make angle bars and small stuff of all sorts; general steel mill products.

Q. You spoke about them?

A. Yes, sir.

MR. SEVERANCE: That is all.

REDIRECT EXAMINATION,

By Mr. Dickinson:

Q. Mr. Reid, you gave an account of the inception of the tin business of this country, and those who were engaged in it. That was anterior to the time I questioned you about in regard to these prices, was it not? I asked if you had made certain contracts with makers of machinery.

A. Yes, you asked me that question this morning.

Q. The period as to which you gave these details in regard to the inception of the business was long anterior to that, was it not?

A. You mean the inception of the tin plate business?

Q. Yes, in this country, which you described so interestingly and accurately.

A. The tin plate business dated back from 1891; yes.

Q. And you were stating those things from memory?

A. Yes, sir.

Q. You remember that distinctly, do you? What you have stated you remember distinctly?

A. I would, rather naturally, I should think. It was an important change in my life. I was leaving a job I had held in a bank for twenty-five years to take up a new line of business, so I was pretty apt to remember what I was stepping into.

Q. You say you got some heavier machinery at that time. Where did you get that? Did you get it in this country?

A. Pittsburg.

Q. You got it in Pittsburg?

A. Yes, sir; from some of those concerns whose names you mentioned this morning.

Q. You gave notes at that time for that machinery?

A. I think we did.

Q. You stated that you did?

A. We did.

Q. You do recall that as a matter of memory, do you?

A. Yes, sir; we had no money, and therefore we had to give notes.

Q. What date was that?

A. I could not remember the date, sir.

Q. About what year?
A. I should say within two years after the organization.
Q. After the organization of what?
A. Of the original company, in 1891.
Q. In 1891?
A. Yes, sir.

By Mr. Severance:

Q. You say within two years after 1891?
A. I should say within two years. It may have been two and a half or three, but I would judge about two years or so.

By Mr. Dickinson:

Q. You stated on cross-examination that you, and those with you, forming the American Tin Plate Company, had no intention of monopolizing. Did not you get together for the purpose of regulating prices, and with the knowledge that it would regulate prices?

A. No, sir.

Q. You did not have that in mind, that you would regulate prices?

A. No, sir.

Q. Did not you enter into that as one of the objects, to make prices stable and to secure for yourselves more than you would have secured in open competition?

A. We thought we might get somewhat better prices and also a lower cost of manufacture by the formation of the new company.

Q. And that you would secure larger prices than you would have secured by open competition? Was not that one of the objects?

A. It may have been.

Q. So far as you remember, was not that correct, Mr. Reid?

A. We might have had that in mind, Mr. Dickinson.

Q. Didn't you have it in mind?

A. Possibly.

Q. You state you might have done it, and may have done

it, and possibly did. Now, please just tell me whether you did or whether you did not have it in mind?

A. I should say that we had it in mind; yes, sir.

Q. I am much obliged to you. You answered that one of the objects in combining these various competitors—you did not use the word competitors—but these various concerns, which you have shown in your testimony here were competitors, was to get a larger concern so that you could buy cheaper. You stated that, I believe?

A. Yes, sir.

Q. Could not you have organized a tin plate concern with larger capital and thus have bought cheaper, without bringing your competitors into this organization?

A. We could have done that if we had had the money, but none of us had the money.

Q. You could have done that if you had had the money?

A. Yes, sir.

Q. You stated that these options were for cash?

A. They were, sir, but the tin plate makers were not furnishing the cash to pay for their plants.

Q. Who was furnishing it?

A. Various people.

Q. What people associated with you were furnishing the cash to make these purchases?

A. The underwriters of the various underwriting syndicates were furnishing the money, so I understood from Judge Moore; they were furnishing all that was necessary.

Q. They were furnishing the cash to bring together these companies, but they would not furnish the cash to organize a large company which did not bring in these companies. Is that a fact or not?

A. I think about all the indivdual mills at that time were having enough trouble in renewing their own notes for money they already owed, and they were not in shape to borrow additional capital.

You said you took in some of those mills you did not want to take in, did you not?

A. Yes, sir. There were some mills that came in afterwards that we did not calculate on taking in at the start.

Q. Why did you not want to take them in?

A. Some of them were little sheet mills which were overhauled and fitted up as tin plate mills. Some of them had bad locations—various reasons; I do not know just why.

Q. You did take them all into this organization?

A. Some of them; not all of them.

Q. Was the reason you did not want to take them in because they were inefficient?

A. They were unable to make tin plate at as low a cost of manufacture as some of the better ones, or the mills we originally started out to——

Q. (Interrupting) Although they were not desirable, you did not leave them out of this combination?

A. There were some of them taken in— a few of them taken in—for various reasons, principally business reasons. Some of them were large borrowers from the steel companies and from the banks.

Q. Some of them were large borrowers from the steel companies, and from the banks?

A. Yes, sir; and had they not been taken in it would have been a question of receivership, perhaps.

Q. The banks had something to do with it?

A. No, sir; the banks had nothing to do with it.

Q. What objection would you have had to these people going into the hands of a receiver?

A. There might have been some personal reasons, friendship reasons, after having been associated with the men ten or fifteen years, and knowing them in various ways.

Q. Just name one of those companies that was not desirable, that you took in because they owed a bank or because you liked them or the people associated with them?

A. I will name you one, the Middleton Works, of Middleton, Indiana, run by Mr. George Laughlin. I forget the title of his works. The mill was afterwards dismantled.

Q. How long was it after you got it before it was dismantled?

A. I do not think it was ever run after we took it in. It may have been run six months or a year.

Q. You took that into the combination and dismantled it within six months or a year?

A. We moved it over to another mill, took the machinery

over to another mill and made a larger plant in another place.

By Mr. Severance:

Q. Is that the concern designated on this list shown you by Judge Dickinson as the Irondale Steel & Iron Company?

A. That is the one; yes, sir.

By Mr. Dickinson:

Q. You stated, Mr. Reid, that shortly after this combination competition sprang up, or increased from that time on?

A. Very fast.

Q. And has increased from that time on?

A. Ever since; yes, sir.

Q. Now, I will ask you if this competition itself was not stimulated by the price to which tin plate went in the market after this combination was formed?

A. Perhaps it was. There were stories about the profits made out of tin plate by the makers even before the big company was formed, and then after the formation of the company there were strange stories going around about the money that had been made by various people.

Q. They have been going around ever since?

A. They have been going around ever since; yes, sir.

Q. Down to the present time?

A. Yes, sir.

Q. Is it not an economic fact, Mr. Reid, in business, applying to railroads and manufacturers, that where prices are suddenly stimulated for any reason, and kept at higher levels than they have been before during a period where lower prices have prevailed, that this of itself brings competition?

A. Yes, sir.

Q. Mr. Reid, you have referred to prices going up in 1899 in respect of the kind of things that went into the manufacture of tin plate?

A. Yes, sir.

Q. What was the main constituent there of that manufacture?

A. That caused the advance?

Q. No. I say just name the principal constituents that went into the manufacture of steel?

A. Of steel?

Q. I mean of tin plate.

A. The largest item naturally is steel.

Q. And that price went up in 1899?

A. Yes, sir.

Q. I will ask you if you do not know as a matter of fact that in 1900 the Carnegie Company of New Jersey was formed, or at about that period?

A. Possibly. I do not know.

Q. And the National Steel Company was formed, you have shown, in 1899?

A. Yes, sir.

Q. Was not the Federal Steel Company formed in 1898?

A. I do not know, sir.

Q. Was not there, about that time, a combination, or bringing together under corporations, of the makers, of a great many other classes of products besides tin plate, notably the makers of steel? Did not they come together?

A. I think there were formations of large companies, and syndicate undertakings, not only in steel, but in practically all the large lines in the country at the time.

Q. And that characterized that period, did it not?

A. Yes, sir.

Q. And those prices went up and tin plate went up also?

A. Yes, sir.

Q. You have been asked about the increase in the cost of constituents that went into the manufacture of tin plate with reference to the prices of tin plate?

A. Yes, sir.

Q. Have you said, or meant to say, Mr. Reid, that the increased prices in tin plate are measured exactly by the amount of increased cost in each constituent?

A. I would not say as to that, Mr. Dickinson.

Q. You have not anything to show that, have you?

A. I have already illustrated that an advance of $1.50 a box in tin plate was caused practically by two items alone. In addition to that there were advances in labor going on

from year to year, so I could not undertake to say just what constituted the entire advance.

Q. Do you undertake to say that the increase in the cost of the constituents of tin plate and labor together equaled, per box, the increase in the cost of tin plate?

A. Not at all, sir.

Q. You do not state that?

A. No, sir.

Q. You spoke of the price of tin plate in 1880. Was there any tin plate made in this country at that time?

A. No, sir.

Q. It was all imported, was it not?

A. Yes, sir.

Q. When did they begin to make it in this country?

A. In the early nineties, in a small way.

Q. In the early nineties?

A. In a very small way.

Q. When was the McKinley Tariff passed?

A. In 1891, I think.

Q. In 1891?

A. I think so. It may have been 1890.

Q. At any rate is it not a fact that the real business in this country began after that?

A. That is correct; all of it.

Q. All of it?

A. Yes, sir; practically.

Q. You were asked whether or not your company ever tried to drive competitors out of business competition. Are you speaking now for all of the agents and representatives of your company, or simply for what you did and what you know yourself?

A. Well, as far as my personal knowledge goes, there was never any attempt to drive out or keep down any competition in our line.

Q. You are limiting that, however, to your personal knowledge, are you?

A. I think I am perfectly safe in stating that it applies to the company.

Q. You mean to say then that you are undertaking to say that this company did nothing through any of its agents or subordinates or officers other than yourself——

A. Put it the other way. To the best of my knowledge and belief, there was nothing of the sort done.

Q. Now you have already said that to the best of your knowledge and belief there were no contracts with the machine makers?

A. Yes, sir.

Q. There may have been such contracts for aught you know?

MR. SEVERANCE: I did not understand him to say to the best of his knowledge and belief there were none such. I understood him to say he did not know of them. His answer this morning was that he did not know, that that was in charge of some other department. Am I not right about that?

THE WITNESS: Yes.

MR. DICKINSON: I think you are right, Mr. Severance.

By MR. DICKINSON:

Q. Your jurisdiction, as president, you said, did not extend to those contracts I refer to with machine makers?

A. No, sir.

Q. But you do not pretend to speak for all the acts of the subordinates of your company that might have affected your competitors?

A. Not at all.

Q. Then, you are only speaking of what came within the range of your personal knowledge?

A. Yes, sir.

Q. You were asked, Mr. Reid, about the companies in the Tin Plate business and the territory they were in. The petition shows, and the answer admits, that the following were in Indiana: The American Tin Plate Company, Ellwood and Montpelier; Atlanta Steel and Tin Plate Company, Atlanta, Indiana; Irondale Steel & Iron Company, Middleton, Indiana; National Tin Plate Company, Monessen, Pennsylvania, and Aderson Indiana. State whether or not those companies located in Indiana sold outside of Indiana in the general interstate trade.

A. I think they all did.

Q. You think they all did?

A. Yes, sir.

Q. And competed with each other for business?

A. Yes, sir.

Q. Without going over those that are shown to be a number of them in several states, Pennsylvania and Ohio, would that same answer apply to them?

A. Possibly there would be certain mills located in certain territory—

Q. I will call them over to you, then.

A. To illustrate briefly, the Indiana mills had a capacity, say, of 50 mills, and they would make more tin plate in two weeks than was used in Indiana in two years.

Q. The question was whether or not they sold outside of Indiana.

A. Yes, sir, they did. They had to go outside to sell their stuff.

Q. Take these companies: The Aetna Standard Iron & Steel Company's tin plate works at Bridgeport, Ohio; Beaver Tin Plate Company, Libson, Ohio; Cincinnati Rolling Mill & Tin Plate Company, Cincinnati, Ohio; Crescent Sheet & Tin Plate Company, Cleveland, Ohio; Falcon Tin Plate & Sheet Company, Niles, Ohio; Laughlin Nail Company, Martins Ferry, Ohio; Norton Tin Plate Company, Cambridge, Ohio; and Wallace, Banfield & Company, Irondale, Ohio. Is that statement true generally of those?

A. The circumstances in some cases change the conditions. One or two of those plants you named there made special brands of roofing plate. They would sell to the roofing trade all over the country. There were certain jobbers who would not buy any other manufacture of roofing plate on account of its being called the J. B. or F. X.

Q. Which did you have in mind?

A. The Niles, Ohio, plant. A little plant down at Covington, Kentucky, or Newport, Kentucky, wherever it might be, would probably sell their entire product to the jobbing trade in their district. The others might have sold in St. Louis, Boston or San Francisco?

Q. Some of those companies mentioned in Indiana also sold in Ohio against that particular company?

A. Oh, quite right; yes, sir.

Q. You stated that the parties who entered into the Tin Plate company were strong in insisting on cash.

A. In almost every case.

Q. Are you speaking from your own knowledge?

A. Yes, sir; I am, so to speak. I heard the reports coming back as to these various people wanting cash.

Q. Where did those reports come to?

A. They were talked about Chicago generally. I mean in certain circles.

Q. In what circles?

A. In our office. We had an office in Chicago, and Judge Moore had an office across the street. I used to see him once a day often, sometimes oftener, and sometimes once or twice a week.

Q. Did you see those who were insisting on cash?

A. No, sir; I did not see any of them until after the options were taken.

Q. Did you see the options?

A. I never saw any of the options.

Q. Then you are really speaking from hearsay when you say they insisted on cash?

A. Yes, sir.

MR. DICKINSON: Then I enter here an exception to that part of his answer which was based on hearsay.

MR. SEVERANCE: We can supplement that when Judge Moore is here. I suppose you are going to call him?

MR. DICKINSON: Maybe I will.

MR. SEVERANCE: You can call him to corroborate it.

By MR. DICKINSON:

Q. You say that the parties owning the American Tin Plate Company, the National Steel Company, the American Sheet Steel, and the American Hoop, refused to go into the United States Steel Corporation unless all of those properties would be taken in?

A. Excuse me, Judge; I did not say the parties owning the mills, owning all these properties. I mean the parties representing them. There were several thousand stockholders in all these companies, you understand.

Q. Well, the parties speaking for the companies?

A. The parties representing the companies, yes.

Q. And who were in touch with the people getting up the United States Steel Corporation?

A. Yes, sir.

Q. When you make that statement do you speak as of your own knowledge, that they insisted on that?

A. It was generally talked about.

MR. SEVERANCE: Did you catch the question?

THE WITNESS: Yes; I got the question. What he wants to know is this—

MR. SEVERANCE: Whether you knew that was insisted on.

THE WITNESS: Yes. Judge Moore came and told me twenty times. The negotiations were carried on over a period of several days, possibly two weeks; I do not remember, you know.

By MR. DICKINSON:

Q. Were you in negotiation with any of the other parties?

A. I was in a room in 71 Broadway and Judge Moore was going back and forth between his office and Mr. Morgan's office, until seven or eight o'clock at night.

Q. What other people besides Judge Moore?

A. Mr. Leeds and Judge Moore.

Q. Those are the only people you had conferences with about this matter?

A. Yes, sir.

Q. None with Mr. Morgan?

A. No, sir.

Q. You had none with the representatives of Mr. Morgan?

A. No, sir; none.

Q. Did you not state that the Alcania Company was one of the companies that was not taken in?

A. Yes, sir. My recollection with regard to that particular company is that it was owned by a co-operative company of workmen, and that was kept out. I do not know whether it went in later on or not.

Q. Do you know whether that company was in existence at the time?

A. Yes, sir; it had been; that is my recollection.

Q. That is your recollection?

A. Yes, sir.

Q. You spoke of the Lalance and Grosjean Company?

A. Yes, sir.

Q. Did they not use all of their black plates themselves?

A. I do not know as to that.

Q. You do not know as to that?

A. No, sir; they were manufacturers and sellers, I understood.

Q. What is that?

A. They were manufacturers of graniteware and also sellers of black plate and tin plate, but to what extent I do not know.

Q. You do not know whether they consumed all their own manufacture in their own wares?

A. No, sir, but I understood they were sellers.

Q. How about the National Enamelling & Stamping Company?

A. They were sellers.

Q. And was that concern in existence at the time this company was formed?

A. Yes, sir.

Q. What was its capacity, do you know?

A. The best of my recollection is that it was a ten-mill plant.

Q. Mr. Reid, I will ask you whether or not the National Enamelling and Stamping Company of Granite City, Illinois, was organized after the American Tin Plate Company was organized?

A. I do not think so. I do not remember whether the tin plate works and the National Enamelling & Stamping Company were owned by one corporation or two corporations, or whether they were at that time, but my recollection is that it was a going concern at that time.

Q. Did it not acquire its tin plate works from the St. Louis Stamping Company?

A. It may have been there at the time. It was all known as the Neidringhause outfit.

Q. Did not that house, the St. Louis Stamping Company, use all of its product?

A. I do not know that.

Q. Did you say that the N. & G. Taylor Company was one of the companies in existence that did not come in under this organization?

A. My recollection is that the N. & G. Taylor Company was not taken in at the time. Whether they were later on, I do not know.

Q. Were they in existence at the time?

A. The N. & G. Taylor Company is one of the oldest importing houses in the country and they were manufacturing a special grade of roofing plate.

Q. Did they not buy all of their black plate?

A. I think they had more mills in Philadelphia.

Q. You think they made black plates?

A. Yes, sir; that is my recollection.

RECROSS EXAMINATION.

By Mr. Severance:

Q. You were asked a moment ago by Judge Dickinson if you personally went to Mr. Morgan. You said that you were waiting in the office for Judge Moore who was going back and forth during the negotiations for the sale of these companies?

A. Yes, sir.

Q. Did I understand that the terms upon which this sale was made, so far as your side was concerned, were fixed by Judge Moore, J. H. Moore, Mr. Leeds and yourself?

A. Yes, sir.

Q. So you do know of your own knowledge the attitude of the sellers?

A. Yes, sir.

Q. You were one of the four who determined that?

A. I was one of the four.

Q. And was your view on that question unanimous?

A. Yes, sir.

Q. You four men agreed you would not sell one company unless you sold the others?

A. That is correct.

Q. And Judge Moore personally went over to Mr. Morgan's office and conducted the negotiations?

A. He did.

Q. Coming back from time to time and reporting to you?

A. Yes, sir, from time to time.

Q. Reporting to you, the other three?

A. Yes, sir.

Q. You were asked whether you knew of your own knowledge that none of your subordinates ever undertook by unfair means of competition to put competitors out of business, and you said that so far as you know it was not done. Were there ever instructions issued from your office that any such practice should be indulged in?

A. Not to my knowledge, and it was not the policy of the concern to follow that plan.

Q. One thing I think I failed to ask you, and that is was not the year 1898 the tail end, to use a common expression, of a long period of depression. Had not everything been depressed after the panic of 1893 for several years, and was it not beginning to pick up toward the end of 1898?

A. It had been very much depressed, and was just beginning to show a few signs of life.

Q. In the next few years after that the business was very active?

A. They were known as boom years.

Q. And in all parts of the country——

A. All over the country and in all lines of business.

Q. And prices in all lines of business advanced, did they not?

A. They advanced materially.

Q. In the matter of materials, Judge Dickinson asked you in reference to a certain reorganization of steel companies. There was not any reorganization of any kind that affected the price of pig tin, was there?

A. No, sir.

Q. And still, that went up along with everything else?

A. Continually, and it is still going up.

MR. DICKINSON: I now offer in evidence the form of an

agreement furnished to me by counsel for the defendants, identified as form S. D. 89-27082-1 M 2-09, which is admitted to be the form of an agreement made between the American Sheet & Tin Plate Company and various jobbers, under which the American Tin Plate Company manufactured for these various jobbers tin plates, under special brands. This form is, as I understand it, the form that has been used in the making of such contracts by the American Sheet & Tin Plate Company, and is in substance the same as the form that was used by the American Tin Plate Company up to the time of its absorption into the American Sheet & Tin Plate Company; and it is agreed that it is unnecessary to introduce the other form, except, however, that counsel reserve the right of correction if they desire to make any.

(The paper so identified was offered in evidence and marked "Government's Exhibit No. 73, May 13, 1912.")

MR. DICKINSON: The same with this paper (indicating). I introduce form S. D. 47 11401-500-5 06, which is a form of assignment made by such parties as entered into contracts under the form previously referred to, by which they assign to the American Sheet & Tin Plate Company the brands which, under the several contracts, would be described in the blanks set out in the form, and this form is in substance the same as forms that were used by the Tin Plate Company up to the time of its absorption into the American Sheet & Tin Plate Company; this also subject to any correction that counsel may wish to make.

(The paper so identified was introduced in evidence and marked "Government's Exhibit No. 74, May 13, 1912.")

JACOB MEURER,

called as a witness in behalf of the United States, being first duly sworn, testified as follows:

By MR. DICKINSON:

Q. Where do you live?
A. In Brooklyn.
Q. How long have you lived in Brooklyn?

A. For 30 years.

Q. What is your age, Mr. Meurer?

A. Forty-nine years.

Q. Have you any connection with the United States Steel Corporation or any of its subordinate companies?

A. No sir.

Q. In what business are you engaged?

A. Metals of all kinds.

Q. The retail business or jobbing business?

A. Jobbing business and manufacturing—both.

Q. State whether or not this includes tin plate?

A. We have what is known as a dipping plant.

Q. And you dip the tin plate?

A. The black plate.

Q. To make the tin plate?

A. Yes.

Q. And then sell that in the trade?

A. Yes, sir.

Q. To what part of the country does your trade extend?

A. All over the country.

Q. How long have you been doing that kind of business?

A. You mean dipping tin plate?

Q. Yes.

A. Since the fall of 1892 or the early part of 1893.

Q. Have you or not, during, that time, had experience and familiarity with the tin plate business in general throughout the United States?

A. Yes, sir.

Q. In what business were you engaged before you began dipping tin plate?

A. We were importers of tin plate, and jobbers.

Q. That was before tin plate was made in this country, was it?

A. Yes.

Q. Were you selling it in this country in the trade generally?

A. Yes.

Q. In interstate commerce?

A. Yes sir.

Q. Do you remember about the time that the American Tin Plate Company was formed?

A. I do.

Q. At that time where were you getting your black plate?

A. Importing it.

Q. Were you buying any in this country?

A. At the time the Tin Plate Company was formed?

Q. Yes.

A. Yes.

Q. From whom were you buying it?

A. From a dozen mills, I was going to say, throughout the country. When I say importing it—we were importing it before it was made in this country.

Q. But at the time the American Tin Plate Company was formed, in December, 1898, where were you getting it?

A. We were buying it from American mills.

Q. From what mills?

A. From Cleveland and from Niles and Ellwood and Newcastle—oh, there were a dozen of them.

Q. Were you buying any from the Whittaker Iron Company?

A. Yes.

Q. Where was that company situated?

A. At Wheeling, West Virginia.

Q. State whether or not that company went into the combination formed when the American Tin Plate Company was organized?

A. It did not.

Q. Were you buying from the Whittaker Iron Company from time to time or under a running agreement or contract?

A. Oh, no; we would buy the cheapest plate we could in the market.

Q. Did you have any contract with them?

A. At the time of the formation of the American Tin Plate Company?

Q. Yes.

A. Yes.

Q. How long did that contract run after the formation of the Tin Plate Company?

A. I think it ran all through 1899.

Q. Then that contract expired, did it?

A. I will not say it ran through the year, but I think it carried us pretty nearly through the year.

Q. Pretty nearly through the year 1899?

A. Yes.

Q. Did you continue after that to buy from the Whittaker Iron Company?

A. No, sir.

Q. State, please, why you did not continue to buy from them?

A. They would not sell us any more; they were using it themselves.

Q. Then, when the Whittaker Iron Company, on account of using it themselves were unable to supply you, did you buy from the American Tin Plate Company?

A. No, sir.

Q. State whether or not you made any efforts, and, if so, what efforts, to buy from the American Tin Plate Company?

A. We made efforts to buy, the same as we usually did, and they would not sell us. I do not mean they would not sell us, but they would not sell any black plate.

Q. You were applying for yourselves, were you?

A. Yes.

Q. And they would not sell to your company any black plate?

A. No, sir.

Q. State what efforts you made to get black plate from them and what the result was?

A. We asked them for quotations on black plate and they simply said that they were not selling any black plate.

Q. Did you make more than one effort to buy from them?

A. Yes.

Q. And you could not get black plate from them?

A. No, sir.

Q. Before they formed this company, had you been able to get black plate from the constituents, or some of them, that went into that company?

A. Yes.

Q. Was there a free and open market for that?

A. There was.

Q. And you could always get it when you wanted it?

A. Yes, always.

Q. And after that you could not get it from the American Tin Plate Company?

A. No, sir; that is, for a while—I do not know how long it was, but for some time.

Q. How long before you did get any from them, if you recall?

A. I should judge two years.

Q. Two years?

A. It must have been more than two years.

Q. In that time state whether or not in this country any independent mills had sprung up from which you could get black plate?

A. No; there were not any.

Q. You say there was a period from the time of the formation of the American Tin Plate Company before any independent concerns in this country were selling in the market?

A. Yes, sir.

Q. Would you undertake to say how long, or about how long that was?

A. I think it was over two years.

Q. What effect did this have upon the business that you had been carrying on for so many years?

A. We had to import it.

Q. That is the black plate?

A. The black plate.

Q. Was there or not a tariff at that time?

A. There was.

Q. What was the effect of that tariff upon the prices you had to pay for the imported plate?

A. You mean in regard to the cost of the material?

Q. Yes, in regard to the cost.

A. I think the material cost us $15 or $20 a ton more than we would otherwise have to pay.

Q. Did you or did you not pay more than you had paid upon the American price in 1898, before the formation of the American Tin Plate Company?

A. Yes.

Q. How much more?

A. I could not give you the figures now.

Q. Well, about how much?

A. I have no idea; I could not really tell you.

Q. Was it slight or considerable?

A. Oh, considerably more.

Q. State whether or not it was to such an extent as to seriously interfere with your business.

A. We make a specialty of roofing plates——

Q. You make a specialty of roofing plates?

A. Yes, and our brands we have had coppyrighted for 25 or 30 years, and we had to continue to make them, no matter what the price was.

Q. Suppose it had continued for a while; what would have been the effect on your business?

A. It would have been a serious loss to us.

Q. That is to say, you had been conducting business for a long time with brands known in the market.

A. Yes.

Q. And if you had discontinued furnishing those brands there would have been a hiatus——

A. There would have been a serious loss to us.

Q. How would it have affected your future trade in those brands?

MR. LINDABURY: I object to that. That is not a proper question to put to an expert. Anybody can form a conclusion as to that from the testimony.

MR. DICKINSON: I think it is perfectly legitimate.

MR. LINDABURY: I suppose the rule of expert evidence is confined to what is really expert.

By MR. DICKINSON:

Q. What would be the effect upon the trade of any one who for a long time had been selling particular brands if a considerable intermission had intervened in the making of those brands and furnishing them to the trade?

A. If we could not have furnished it, our competitors would have gotten it, naturally.

Q. State what figure those brands cut in the trade in respect to the matter of being called for or not by architects and contractors.

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A. An architect specifies certain brands to be put on the roofs of buildings, and that has been one of our principal businesses—catering to the architects; furnishing the brands specified.

Q. Is that, in a sense, the life of the business?

A. That is one of our main points in the business.

Q. Did you know about a firm, Lalance and Grosjean, of St. Louis

A. No, sir; it is at Harrisburg.

Q. I mean at Harrisburg. Did they make the plate out of which tin was made?

A. Only for their own use.

Q. Was there any of that sold in the market that you could have gotten?

A. No, sir.

Q. Take the St. Louis Stamping Company. Did they make black plate?

A. For their own use.

Q. Did they sell it in the market?

A. No, sir.

Q. Could you have gotten any of that?

A. No, sir.

Q. After the formation of the American Tin Plate Company and for a period, say, of six months, state what independent companies were left in the United States outside of the American Tin Plate Company, making black plate, from whom you could have bought.

A. I do not know of a single company except the Whittaker Iron Company.

Q. You say the Whittaker Iron Company began to consume their own product?

A. They had a company connected with them, which consumed it, the Wheeling Corrugating Company.

Q. Did that or not put them practically out of the market?

A. Yes sir.

Q. You say you could not get the black plates in this country for a long while?

A. I could not.

Q. And you had to import them?

A. Yes.

Q. And pay a large price?

A. Yes, sir.

Q. What was the result, if any, in respect to your dipping plant?

MR. LINDABURY: Objected to as irrelevant.

By MR. DICKINSON:

Q. What effect did that have?

A. It made our goods cost more money.

Q. Did you continue it or close it?

A. We continued it until we were able to get some plates in this country.

Q. And then you got them in this country?

A. We got them in this country.

Q. State whether or not you knew generally the other dipping concerns, like yourselves, who were in business at that time in the United States?

A. Yes, sir.

Q. State whether or not they had like difficulties, such difficulties as you had?

A. They did.

MR. LINDABURY: How could he know that?

MR. DICKINSON: I am not going to ask what transpired, but simply for an event.

By MR. DICKINSON:

Q. State whether or not the dippers held a meeting in New York on account of this situation and their inability to get black plate?

A. Yes, sir.

Q. When was that meeting?

A. I think it was in July or August, I am not sure which; but I know it was either one of those two months.

Q. Did you attend that meeting?

MR. SEVERANCE: What year was that?

THE WITNESS: It was right after the trust was formed. It must have been 1899, I think. If the trust was organized in 1898, it was in 1899.

By Mr. Dickinson:

Q. You think it was in 1899. Can you name some of those who attended that meeting?

A. Yes. C. S. Trench, of the Norristown Plant. I think there was the Merchant & Evans Company of Philadelphia. There was Follansbee Brothers, Pittsburg. I am not sure whether N. & G. Taylor of Philadelphia were there or not. I think they were there. I think Hamilton, from Pittsburg, was there. I am not sure exactly who were there, but I think those were the gentlemen who were there at the meeting.

Q. Without stating what was said at that meeting, was any action taken?

A. No. The only discussion was what we were going to do about it if we were not able to get black plate. The question was talked about as to putting up mills ourselves to get it, or something of that kind.

Q. State whether or not it was shown at that meeting that they were not able to get black plate?

A. It was.

Mr. Severance: That is purely hearsay.

Mr. Dickinson: That is all.

CROSS-EXAMINATION.

By Mr. Lindabury:

Q. Did they put up the mill?
A. Yes, sir; Follansbee put up a mill.
Q. No; but these combinations of dippers?
A. No; they did not at that time.
Q. How many dippers were represented there?
A. Six or seven, I think.
Q. Tin dippers?
A. Tin dippers, yes.
Q. Did they represent a considerable capital?
A. I do not know. I suppose so. I think so.
Q. You were there, I believe?
A. Yes, sir.
Q. You knew the gentlemen?
A. Yes, sir.
Q. They were substantial business men, were they?

A. They were.

Q. And possessed of ample capital, as far as you know?

A. I think so.

Q. There was no reason, then, why they should not put up a tin mill if they thought it would pay?

A. They did, afterward, some of them.

Q. How soon did they do it?

A. I could not say that. I do not know exactly.

Q. Did they put it up for the benefit of the rest of the crowd, or only for themselves?

A. For their own benefit.

Q. Did they supply you with black plate?

A. We got black plate before they put up the mill.

Q. After they put up the mill did they supply any of these others with black plate?

A. I do not think so.

Q. After they put up the mill did they coat their black plate with tin?

A. Yes.

Q. So they put up a regular tin mill?

A. Yes, sir.

Q. Did anybody else do that?

A. Three or four did. Follansbee put up a tin mill; Taylor did.

Q. Did any of these people put it up for the rest of the dippers?

A. They did not.

Q. They did their own dipping and kept their black plate, did they?

A. Exactly.

Q. It is a selfish world, isn't it?

A. Surely.

MR. LINDABURY: I think that is all.

REDIRECT EXAMINATION.

By MR. DICKINSON:

Q. This condition in which you found yourselves was one brought about, was it not, by this combination of these plants which hitherto had been competitors?

A. It was.

RECROSS-EXAMINATION.

By Mr. Lindabury:

Q. It seems to have been brought about somewhat by the action of this West Virginia concern, was it not? They had been supplying you, had they not—the Whittaker Mill?

A. They had just at that time.

Q. They did not go into the combination?

A. No sir.

Q. They never have been in it?

A. No sir.

Q. They got selfish, too?

A. Certainly.

Mr. Dickinson: Wait a minute. I want to ask about another matter.

By Mr. Dickinson:

Q. Did you know the Aetna Standard Iron & Steel Company's tin plate works, Bridgeport, Ohio?

A. Yes, sir.

Q. In what business were they engaged?

A. In the tin plate business.

Q. State whether or not they were selling their products in interstate trade?

A. I think they were. We were buying from them.

Q. You were buying from them?

A. Yes.

Q. Before they entered into this combination?

A. Yes, sir.

Q. How about the American Tin Plate Company of Ellwood and Montpelier, Indiana?

A. I did not buy anything from them.

Q. Did you know in what business they were engaged?

A. In making tin plates.

Q. Do you know whether they advertised and offered for sale and solicited the trade?

A. I do not know much about that.

Q. Take the Beaver Tin Plate Company, Lisbon, Ohio.

A. We bought plates from them.

Q. You had bought from them?

A. Yes.

Q. Prior to this consolidation?

A. Yes.

Q. Were they selling generally in the trade, and soliciting business?

A. Yes.

Q. Were they selling outside of the State of Ohio?

A. Yes, sir.

Q. How about the Britton Rolling Mill Company, Cleveland, Ohio?

A. We had bought from them.

Q. Previous to their going into the Tin Plate Company?

A. Yes, sir.

Q. Where were they selling?

MR. LINDABURY: Judge, you have several times proved that they were all selling in interstate trade, and nobody has ever disputed it. Nobody has ever denied it.

MR. DICKINSON: I want to prove it by this witness——

MR. LINDABURY: (Interposing.) Who does not know.

MR. DICKINSON: Yes; he does know.

MR. LINDABURY: I do not believe he knows.

THE WITNESS: Yes; I do know.

By MR. DICKINSON:

Q. Do you know?

A. Yes; I do.

MR. LINDABURY: He knows what they sold and how they sold in interstate trade, I have no doubt.

MR. DICKINSON: He says they were advertising and selling generally.

A. Yes; I bought from them.

By MR. DICKINSON:

Q. Were they competitors of these other people?

A. They were.

Q. You bought sometimes from one and sometimes from another?

A. Yes, sir.

Q. State whether or not they competed in prices.

A. They certainly did.

Q. How about the Canonsburg Iron & Steel Company, Canonsburg, Pennsylvania?

A. We did not do anything with them.

Q. How about the Cincinnati Rolling Mill & Tin Plate Company, Cincinnati, Ohio?

A. Yes, sir.

Q. Did they compete with these other companies that you have mentioned?

A. They were more of a dipping plant.

Q. How about the Crescent Sheet & Tin Plate Company, Cleveland, Ohio?

A. We bought from them.

Q. How about the Cumberland Steel & Tin Plate Company, Cumberland, Maryland?

A. No; we did not buy anything from them.

Q. How about the Ellwood Tin Plate Company, Ellwood City, Pennsylvania?

A. That should be Indiana, should it not? We bought from them.

Q. How about the Falcon Tin Plate and Sheet Company, Niles, Ohio?

A. Yes, sir; we bought from them.

Q. I am informed that I was correct in my question as to the Ellwood Company being of Ellwood City, Pennsylvania. Do you know about that?

A. No, sir.

Q. How about Hamilton & Company, Newton, Pennsylvania?

A. No, sir.

Q. How about the Humbert Tin Plate Company, Connellsville, Pennsylvania?

A. We bought from them.

Q. How about the LaBelle Iron Works, Wheeling, West Virginia?

A. I do not know, sir.

Q. The Laughlin Nail Company, Martins Ferry, Ohio?

A. We bought from them.

Q. Marshall Brothers & Company, Philadelphia, Pa.?

A. Yes, sir.

Q. The Monongahela Tin Plate Company, Pittsburg, Pa?

A. Yes, sir.

Q. Moorewood Company, Gas City, Indiana?

A. No, sir; we did not get anything from them.

Q. How about the National Tin Plate Company, Monessen, Pennsylvania, and Anderson, Indiana?

A. No, sir; we did not buy from them.

Q. Did you know anything about the business in which they were engaged?

A. We knew they were making tin plates, and selling them.

Q. And selling them in the trade generally?

A. Yes.

MR. LINDABURY: Do you mean tin plates or black plates?

THE WITNESS: Both.

MR. DICKINSON: Black plate and tin plate.

By MR. DICKINSON:

Q. How about the Newcastle Sheet & Tin Plate Company, Newcastle, Pa.?

A. We bought from them.

Q. Black plate?

A. Yes, sir.

Q. The Pennsylvania Tin Plate Company, New Kensington, Pennsylvania?

A. Yes, sir.

Q. The Pittsburg Tin Plate Works, New Kensington, Pennsylvania?

A. Yes, sir.

Q. Reeves Iron Company, Canal Dover, Ohio?

A. We did not buy anything from them.

Q. Do you know in what business they were engaged?

A. I do not know whether it was a sheet mill or a tin mill. I am not sure.

Q. The Star Tin Plate Company, Pittsburg, Pennsylvania?

A. We bought from them.

Q. The United States Iron & Tin Plate Manufacturing Company, McKeesport, Pennsylvania?

A. I think that address is wrong. I do not think it was McKeesport.

Q. It is given here as McKeesport. Do you know that concern?

A. No, sir. If it is McKeesport, we did not buy from them.

Q. Wallace, Banfield & Company, Irondale, Ohio?

A. We bought from them.

Q. Washington Steel & Tin Plate Mills, Washington, Pennsylvania?

A. Yes, sir.

Q. All those that you have mentioned you bought from, you have bought from variously up to the time of the formation of the American Tin Plate Company?

A. Yes, sir.

MR. DICKINSON: That is all.

RECROSS-EXAMINATION,

By MR. LINDABURY:

Q. Just a question or two more. Was there strenuous competition among these people for your trade before the American Tin Plate Company was formed?

A. There was.

Q. They were running after you every day, I suppose, to sell you?

A. I would not say every day, but they were coming constantly.

Q. They were coming constantly, and not only those which went into the American Tin Plate Company came, but those which were outside and stayed outside came, did they?

A. I do not think there was any left outside except the Whittaker people.

Q. Did you buy of the outsiders before the American was formed?

A. Yes, sir.

Q. The Whittaker people you have mentioned?

A. Yes. There were others, also, I think.

Q. The National Enameling & Stamping Company?

A. No, sir.

Q. That was in business then, was it not?

A. Yes, but they used all their own; they did not sell any.

Q. They never sold the black plate?

A. No, sir.

Q. The Inland Steel Company?

A. No, sir.

Q. You did not buy from them?

A. No, sir.

Q. Do you know whether they sold plate?

A. I do not think they rolled any plate that I know of.

Q. When did your contract with Whittaker cease? Two years after the American was formed?

A. No; I think our contract ran up close toward the fall of 1899.

Q. Nearly to the fall of 1899?

A. Yes, sir.

Q. A year or less afterwards?

A. Well, it expired that year; we had a specified amount to take.

Q. A good many new concerns were soon afterwards developed, were there not?

A. Not in that two years.

Q. Well, after the two years expired?

A. Yes; after the two years they sprang up.

Q. There was a great boom in business during 1899 and 1900, was there not?

A. Yes, sir.

Q. And mills sprang up everywhere?

A. No; I do not think they sprang up until after that time.

Q. After that time?

A. Yes, sir.

Q. Did the mills that were afterwards built sell their black plate?

A. Yes, sir.

Q. Or did they generally coat it themselves?

A. Well, both. They sold black plate and sold tin plate, both.

Q. What they sold was their surplus, I suppose, was it not?

A. I do not know about that.

Q. As far as you know——

MR. DICKINSON: Let him answer, will you, please?

A. (Continuing.) I do not know whether they sold their surplus or not.

By Mr. Lindabury:

Q. As far as you know, their business primarily was to make tin plate?

A. Certainly; but they all sold black plate.

Q. Whether that was a mere surplus of course you do not know?

A. No; I do not know.

Q. When did they begin to do that?

A. I do not know. Just as soon as they got started. It possibly took a year before they got started; most of them took a year to build.

Q. All the concerns that were in existence when the American Tin Plate Company was formed, I understand you, went into the business of tinning all of their black plate?

A. There was only the one left that I know, and that is the Whittaker Iron Company.

Q. That is the only one?

A. That is the only one I know.

Q. Not the only one making black sheets?

A. The only one selling black sheets.

Q. All the rest had been tinning their sheets before, had they?

A. All the rest that went into the combination.

Q. And all that did not go in?

A. They used their own products.

Q. All of the concerns that made black plate from before the American Tin Plate Company was formed, and did not go into the American, tinned their plate, except this Whittaker Company?

A. That is right.

Q. And that company, when the contract with you ended, took the same course?

A. Yes, sir.

Q. So that there was apparently, about this time, a general turning toward that branch of the business?

A. Yes.

Q. Of tinning their own sheets?

A. That is right.
Q. And selling them in that way?
A. Yes, sir.

MR. LINDABURY: That is all.

MR. DICKINSON: I think we will not start on another witness this afternoon.

(Whereupon, at 4 o'clock p. m., the hearing was adjourned until to-morrow, May 14, 1912, at 10:15 a. m.)